

JPRS-WER-86-054

4 JUNE 1986

West Europe Report

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4 JUNE 1986

WEST EUROPE REPORT

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SDP SUCCESSOR GENERATION LESS SYMPATHETIC TO U.S., EC GOALS

Copenhagen BERLINGSKE TIDENDE in Danish 28 Apr 86 p 12

[Commentary by "Monitor": "Debate: The Social Democratic Party's Picture of the World"]

[Text] The Social Democratic picture of the world and of Denmark's foreign policy is new, but it has roots in the past. It is reminiscent in many ways of the mentality of the Social Democrats before 1940 or 1949, but it has not survived as a strong tradition, and only a few from Anker Jørgensen's own generation share it. Monitor looks at some of the notions which must be common among the party's foreign policy leadership and concludes that only a change in leadership can provide hope of a return to a higher degree of realism in the party's foreign policy.

Leading Social Democrats think that they have a birthright to Danish foreign policy. It is not due in itself to any special foreign policy expertise, but due to the fact that the Social Democrats have been split in several of the decisive foreign policy voting situations in the last 40 years. When the party's leadership fell on the same side as the non-socialist parties in the NATO decision in 1949 and support of EC in 1972, it is believed that the non-socialists ought in gratitude to let the Social Democrats decide the more specific content of the alliance and market policy. If the non-socialist parties do not do this, the Social Democrats reserve for themselves the right to become insulted and go as they like together with the left-wing parties.

It is of course an unreasonable consideration to attribute to the Social Democratic Party greater influence than the non-socialist parties--for no party can be taken for granted and cooperation is necessary to form a majority; but an uncertain party is undeniably more exciting to observe than those parties which steadily stick to their course.

In recent years there has been much debate about the reasons for the Social Democrats' parting with their generations-old foreign policy. There has gradually been much to indicate that it is not only the battle with the Socialist People's Party regarding left-wing voters and the parliamentary tactics in the split Folketing that have been decisive--although these also are important factors. Still more central is the fact that a new foreign policy conviction characterizes the party's top. It is depicted first and

foremost by Anker Jørgensen, and that it did not come out as far back as 1972 can be attributed to the fact that some viewpoints have slowly matured and have been sharpened, and that Krag's colleagues first gradually disappeared from the leadership.

How, then, does the new Social Democratic view look? What roots does it have and what effects will it have? It is not totally easy to present the picture of the world and of Denmark's position which the Social Democrats today take for granted, and numerous Social Democrats are now expressing themselves regarding foreign policy while others have been quite silent. If we disregard the slight differences, some of the following notions must be common among the party's foreign policy leadership.

The Social Democratic picture of the world is basically determined by ideology and principles. States, parties and people are rated in accordance with direct sympathies and antipathies. The sympathies are based not so much on an analysis of Danish national interests, but rather on the ideological statements and preferred social systems of those concerned. Our foreign policy interests can be best served by cooperating with parties and movements which with a little good will can be considered as parallels of the Social Democratic Party in Denmark.

The international system is regarded as unnecessarily strongly polarized, between East and West and South and North. But even in a superpower system the small country has considerable opportunities for influence. Denmark's role is the bridge builder, which in order to be credible as an intermediary must distance itself from its allies. In the East-West polarization, the USA and USSR are regarded in a way as equally guilty, and there is no sympathy for either of them. There is certainly symmetry in their position; but, however, the USSR is the weaker and more vulnerable and for this reason has a natural claim to consideration and parity. Modest learning provides good opportunities to interpret Russian conduct as rational and moderate and understandable. On the other side, the American policy seems aggressive, provocative and rather irrational and for this reason we have an obligation to criticize and instruct.

These opinions of the USA and USSR have consequences for the picture of the threat. The threat does not come from the Russians alone; it is rather a consequence of tension in the polarized system, and the tension is due just as much to American as Russian actions. Detente therefore becomes more important for security than determent by means of weapons systems and alliances. This holds true especially for nuclear weapons, which it is believed both involve the risk of war through technical error and increased tension as a consequence of the buildup process and the mutual threat. The removal of nuclear weapons will consequently be more important than maintenance of the balance between the blocs.

This has consequences also for the opinion of an alliance. Membership in an alliance is seen not so much as a guarantee--for the automatic controls in an alliance can always be questioned--but rather as a risk of being involved in other more irresponsible states' conflicts. Alliance membership also means

dominance by the big allies, who demand loyalty and ask for reciprocity and participation in covering military costs. We must of course refuse to let others meddle in our own affairs, just as we must assert our right to criticize our allies' domestic and foreign policy.

Another element of this picture is the fear of challenging the adversary and thereby turning attention toward one's own country. This interestingly enough goes together with considerable confidence in the adversary's honesty. A Russian assurance of a nuclear-free zone is looked at readily, and the expectation is entertained--in spite of experience hitherto--that the Russians will not exploit Western arms reduction efforts to disturb the balance.

It leaves its mark on the negotiation strategy the Social Democrats think the West ought to follow. One should play with open cards, not be afraid of unilateral confidence-creating steps, not let the adversary's hostile actions disrupt negotiations, never punish with sanctions. Regardless of how the adversary reacts, one should be ready for concessions. This desired negotiation strategy is interesting, because it is contrary to all the elementary rules which anybody who has taken part in party or job market negotiations knows and uses. But it is also interesting because it does not at all correspond to the strategy the Social Democrats demand that Denmark use when we negotiate with our partners in NATO and EC. Here the strong emphasizing of Danish views is advocated, and one does not budge, as a rule, an inch from formulated interests. The unilateral prioritizing of detente between East and West makes the Social Democrats suspend the normal rules for negotiation and looking after one's interests.

The Social Democratic picture of the world and of Denmark's foreign policy is new, but it has roots in the past. It is reminiscent in many ways of the mentality of Social Democrats from before 1940 or 1949, but it has not survived as a strong tradition and only a few of Anker Jørgensen's own generation share it. More important is the inspiration from the new circles who are about to take over the Social Democratic Party as active members and as functionaries and who in education, occupation and attitudes are close to the typical Socialist People's Party voter. They have brought with them a legacy from the anti-nuclear campaign, from the Vietnam demonstrations, from the EC campaign and from the disarmament movements, which has certainly been moderated by their later experiences and their desire for influence, but which still is present as basic sympathies and notions of the world.

Their background is the foreign policy opposition, strong disagreement with the Danish consensus-based policy from the 50's to the 70's, and action against the European major powers', and first and foremost the USA's, policy, both in Europe and in the Third World. They cannot identify with a Danish policy in harmony with the USA, which they do not understand and instinctively reject. They have strong misgivings about choosing Europe as an alternative. What is left is the North and neutralism.

What effects will the new Social Democratic picture of the world have? Internally, it has certainly solved an old problem for the party. Until the middle of the 1970's the party faced the dilemma that its leaders had a

slightly different and informed perception of foreign policy which was close to that of the non-socialist parties and far from the Social Democratic left wing's. This provided a basis for the postwar period's broad foreign policy coalition, but it also meant that the leaders had to force large sections of the party to accept ideas which they did not understand. This party problem has now been solved, because the leadership thinks the same way as this part of its voters. On the other hand, new problems have arisen. Internally, the wing which hitherto has supported the old foreign policy line has been pushed aside. Opinionwise, those circles which are charging the party from the left are being strengthened. And parliamentarywise, it will be difficult to find reliable coalition partners with the new course. If they seek to carry it through all the same, the outcome can be tragic, both for the party and for the country.

Danish foreign policy's history cannot display good experiences with a picture of the world and a policy such as the current Social Democratic ones.

At the same time, it is becoming ever more difficult to see any possibility of the party's changing course with the present leadership--and this almost regardless of which foreign policy consequences this might have. Only a change in leadership can provide hope of a return to a higher degree of realism in the Social Democratic Party's foreign policy.

8831

CSO: 3613/113

LEADING SOCIALISTS WARY OF FORMING GOVERNMENT WITH LEFTISTS

Socialist People's Alliance Discussed

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 86 p 1

[Article by Per Lyngby: "Social Democratic Party Ahead Before Government with Socialist People's Party"]

[Text] Ex-Prime-Minister Anker Jørgensen (Social Democratic Party) thinks it totally necessary that the Social Democratic Party enter an S-SF [Social Democratic Party - Socialist People's Party] government strengthened. Ex-Tax-Minister Mogens Lykketoft (Social Democratic Party) still doubts the Socialist People's Party's [the SF's] ability to stick to a sensible policy.

A red majority after the next election is no assurance of an S-SF government. Leading Social Democrats are reluctant to enter the government if the party is weakened at the expense of an SF success. Besides, Ex-Tax-Minister Mogens Lykketoft (Social Democratic Party) doubts that the SF will be able to stick to a sensible policy.

The Social Democratic Party's chairman, Ex-Prime-Minister Anker Jørgensen, says to BERLINGSKE TIDENDE that: "It is completely necessary that the Social Democratic Party be strengthened in the next election." He states that the reason for this is that the Social Democrats must take the responsibility for the economic policy in order to have it properly balanced. Anker Jørgensen does not want to comment on what the strength ratio between the Social Democrats and the Socialist People's Party will mean for the distribution of minister's posts.

Burgomaster Thorkild Simonsen of Århus, president of the National Association of Municipalities and a member of the Social Democratic Party's executive committee, says straight out that if the Social Democratic Party comes out of the next election weakened, "there will be no realism behind an S-SF government."

"If the Social Democratic Party is on a backward path while the Socialist People's Party is on a forward one, the issue will be extremely complicated. In a coalition able to govern the party must be strengthened. A weakened

party is a bad starting position for a government coalition with the Socialist People's Party," is Thorkild Simonsen's assessment.

Mogens Lykketoft finds it alarming that the SF is divided in its attitude toward a government coalition with the Social Democratic Party. At the SF's national congress barely half of the delegates were supporters of a role as a backing party instead of a governing party. "An uncomfortably large minority of the SF seem to be all-or-nothing people. Many SF'ers have not listened to experiences from the past and the language of the birds at the present. The SF is still at the cutting edge on the question of to what extent the party will at all be able to stick together on a sensible policy," the former tax and duties minister believes.

Foreign Policy Biggest Problem

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 86 p 12

[Editorial: "The Election"]

[Text] The possible prospect of gaining power, which has long been the intention, is torturing not only the SF, but apparently also the rest of the country. The SF wants to be in the government, and Gert Petersen has almost already issued writs for an election.

To this it can only be said: Have some bread with it. It is not Gert Petersen who will issue writs for an election to the Folketing, and the prime minister will certainly help the SF leader in distress by drawing out the election date so long that the SF will get abundant rest to reflect.

The SF's national congress confirmed the party leadership in the fact that it must work for a government jointly with the Social Democratic Party. There is nothing new and nothing surprising in this. It has more or less been in the cards since 1966. The cards have been dealt a little differently on various occasions, but both the trumps and unplayable cards have remained more or less unchanged for 20 years.

The SF's readiness to bid for power is far from synonymous with the fact that the SF has a realistic chance to gain a share in it. If the situation should arise that the Social Democratic Party and Socialist People's Party jointly gain a majority in a general election, a situation will still exist where the Social Democratic Party will have to choose whether it will enter a coalition government or prefer to keep the SF out. Now as before it will be the security and foreign policy which to a particular extent will mark the difference between the two parties. Regardless of the SF's dodge, the fact remains that the SF in principle wants to get out of NATO and EC. Regardless of good will toward negotiation, the fact remains that the Social Democratic Party wants to remain in NATO and EC. Regardless of the sides' attempts to find new formulations for an old problem, it is quite the same balance sheet which Aksel Larsen could draw up in 1966. At that, then the situation was not as complicated as now. For then it was /not/ [in italics] the SF's intention to enter the government with the Social Democratic Party in order to conduct a

joint security and foreign policy with the NATO party, but to push the question toward a referendum. The SF has now saddled itself with this problem by so intensely seeking to assemble a security policy majority with the SF and the Social Democratic Party as the cornerstone. But this majority will have no validity when or if it comes to government negotiations between the two. For in this situation the Social Democratic Party will be forced to emphasize its NATO and EC position clearly and unequivocally.

Gert Petersen has received a mandate to want power. But the Social Democratic Party's leadership has no cause for this reason to change signals toward the SF. It would be suicide-like to enter into government negotiations with the SF before a general election. After the election, and if the outcome of the election should point to the Social Democratic Party as a party able to govern, Anker Jørgensen will have to make his choice: whether he dares to gamble on a coalition with the Socialist People's Party. In order for his answer to be positive, the SF will have to turn a few more somersaults.

8831

CSO: 3613/114

PEOPLE'S SOCIALISTS SEEK TO ENTER GOVERNMENT WITH SDP

Stockholm DAGENS NYHETER in Swedish 26 Apr 86 p 14

[Commentary by Christian Palme: "Socialist People's Party Wants to Govern With the Social Democrats"]

[Text] Copenhagen--The Danish People's Socialists want to get close to the action and power after three decades in the political wasteland. The Socialist People's Party is throwing out its pacifist dogmas and is approaching the Social Democrats. Their dream goal is called "a red labor government" after the next parliamentary election.

"We will no longer be outside demonstrating for "more icing on the cake." Our demand will be "give us responsibility," says one member of Parliament from the Socialist People's Party (SF).

His words summarize well the process now under way within the SF. The little party on the left flank has become large and no longer wants to be regarded as an unreliable overbid party with utopian demands for disarmament and rationalizations. The SF wants to be part of the game along with its big brother, the Social Democrats. But the path to get there requires painful transformations. Earlier in the week the party washed its dirty linen publicly in a very open debate about security and defense policies.

In Denmark several decades ago the Moscow-faithful communist party DKP was reduced to an insignificant force in national politics. The major responsibility for that development is borne by the Socialist People's Party, founded in 1958 by a circle surrounding free-thinker and excluded communist veteran Aksel Larsen. The party broke with the communist traditions, threw out the old ideological ballast and created its own, very Danish, socialist philosophy. It was, so to speak, Marx and Grundtvig under the same roof.

A flat no to military defense and a refusal to accept Denmark's membership in NATO have been an important part of the program. "Disarm our country," exhorted SF's election posters over the portrait of Aksel Larsen.

Impossible

That slogan and a vehement economic overbid policy long made the SF an impossible cooperation partner for the Social Democrats, who preferred to find coalition partners to the right, or work with shifting majorities. The SF came in out of the cold for only a brief moment when Jens Otto Krag after the 1966 election established a cooperation committee, provocatively christened "The Red Cabinet," with Aksel Larsen.

But in Denmark, where political life still offers surprises, nothing is quite impossible. The SF, with a voter base rarely exceeding six percent and only 10 years ago below four percent, in the 1980's has become a political force with which to reckon. In two elections, 1981 and 1984, the party received about 11.5 percent of the votes.

At the same time as conservative Denmark has settled itself confidently in the cabinet chairs and the Social Democrats are struggling with the role as an opposition party, the SF has consolidated its position on the left flank. Opinion polls now constantly promise the party at least 15 percent of the votes in a Folketing election, which would make the SF Denmark's third largest party.

Will It Last?

But will the SF last in a government coalition if the "red majority," so eagerly desired by the left, were to materialize in the parliamentary elections this fall? Up to now it has been impossible, but the SF is no longer as doctrinaire as is used to be, in Aksel Larsen's days.

In recent years Social Democrats and People's Socialists have approached one another on many issues of fact. Political scientist Jorgen Goul Andersen at Arhus University says that "the mutual hostility between Social Democrats and the left flank seems to be over with."

SF chairman Gert Petersen himself has eliminated one source of conflict by declaring that it is time to abandon in the short run the old demand for total disarmament. The alternative, according to Petersen and the party's spokesman on security policy Peter Voigt, is a "defensive defense," a Danish military which can "repel minor attacks but not be used in a NATO offensive against the East."

Gert Petersen fears that a totally disarmed Denmark could fall victim to a lightning action during a major crisis in Europe. In his proposal for change in the party platform he writes that it could even have a destabilizing effect and increase tension if Denmark were to become a free testing ground for the two blocs. The pragmatic SF leader is even prepared to accept the membership in NATO, but without striking the neutrality from the party platform.

Not Out of NATO

"There is broad understanding that we cannot leave NATO now. Neutrality is a long-range goal," says Pelle Voigt. As long as 68 percent of the population supports NATO the issue cannot be discussed. But Gert Petersen and the friends of a "defensive defense" still reject NATO's integrated command structure and demand revocation of the military reinforcement agreements with Great Britain and the United States.

It has therefore created a sensation that another group of leading SF members around Margrete Auken has presented a proposal for a security policy program to the convention which fully accepts both NATO and the reinforcement agreements. The group includes peace researchers and persons from the non-communist peace movement. Margrete Auken, ordained minister and little sister of Social Democratic crown prince Svend Auken, is one of Folketinget's most colorful members. She says:

"The concept that it would increase detente if Denmark left NATO is grotesque. Everywhere it would be regarded as a clear plus for the Warsaw Pact and a gain for the Soviet Union. It would mean greater pressure on the FRG, Norway would become far more isolated than now--and then it is easy to imagine how things would go for Sweden."

For a Corridor

Continued membership in NATO provides opportunities to conduct a progressive security policy, Margrete Auken says. She mentions the Swedish proposal for a nuclear-free corridor through Central Europe as an example.

"If we are to fight for the corridor, we should fight within NATO. Outside NATO we have no opportunities to work for the corridor."

Auken and the other "red realists" can even accept the reinforcement agreements in the short run. Their revocation must take place as an element in a process of political and military detente in Europe which makes the agreements superfluous, they say. Not even Margrete Auken herself expects that the proposal will be adopted at the congress, but she is hoping for a compromise. It is essential, she says, once and for all to get the SF used to the word "NATO," which for so long represented the height of blasphemy.

11949

CSO: 3650/190

SOCIALIST PEOPLE'S PARTY SECURITY POLICY STATEMENTS VIEWED

Copenhagen BERLINGSKE TIDENDE in Danish 26 Apr 86 p 8

[Editorial: "Fragile Balance"]

[Text] The country's third largest party, according to the polls, is holding its national congress. Beforehand there has been an extensive debate on the problem which the party itself wants to make more and more urgent: Whether it, should the occasion arise, should assume the responsibility of governing.

As the party debate is turning out, the answer should be easy. The party is /not/ [in italics] fit for shouldering the responsibility. It is finely designed as an opposition party, when it concerns uniting causes and formulating demands for others. But when pressure is put on it to get it to yield to necessities of one kind or another, normally it goes astray.

The classroom example is the security policy debate. As an opposition party, the Socialist People's Party has participated actively in the footwork which has resulted in the passing of a whole series of security policy resolutions. But the debate prior to the national congress has obviously shown that deep disagreement prevails in the party between the traditional pacifists and the recently reversed red realists. Regardless of the national congress's persistent efforts to paint a picture of a party with a desire for and sense of responsibility, this disagreement will develop into an open wound and a serious crisis if events put it into a position in which a clear and binding answer must be given to a security policy coalition, which does not consist only in angling in the alternative majority's muddy channels.

In contrast to the Socialist Left Party, the Socialist People's Party has never gone in for the formation of wings. The party leadership has felt it its obligation to develop a party line representing a mean between the two views which are manifested in the party's various organs. People who have not agreed with the line have had to say goodbye and thank you. This does not necessarily mean that the internal unity in the party is greater than is the case in the Socialist Left Party, but it implies that its political stances are of a more fragile nature.

Gert Petersen and the rest of the party leadership are doing a balancing act with this fragile balance. His problem as party leader is that he knows how fragile the balance is. He knows first and foremost that the majority of the party's voters vote for the Socialist People's Party because of a clash with the Social Democratic Party. However "realistic" the economic policy or defense policy is made, it cannot gain the degree of realism that it changes the Socialist People's Party from being a rebel to becoming a staid and closemouthed support party for the Social Democratic Party.

However many national congresses can be held in which those attending confirm each other in the belief that success voterwise points to the power of governing. The decisive hour will be at hand first when the responsibility is for sale. In this situation the Socialist People's Party will still be a reserved buyer.

8831

CSO: 3613/113

CHRISTIAN PEOPLE'S PARTY CONGRESS CAUSES COALITION PROBLEM

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 86 p 14

[Editorial: "Bad or Good"]

[Text] The government has gotten a problem with the Christian People's Party. Based on its national congress on the weekend, this party in rather heavy-handed phrases has demanded social compensations if energy taxes are adjusted upward as of 15 May. Part of the passed Easter package is that this adjustment can take place if oil prices and the rate of exchange on the dollar continue to drop as strongly as has already occurred.

It will be recalled that a member of the Christian People's Party's Folketing group made a drama out of the fact that the Easter package in his view seemed socially lopsided. At the national congress there was concurrence with this view under the impression that the party feels the need to improve its position in the political polls. Since the government in broad self-interest will willingly see the Christian People's Party maintain or strengthen its parliamentary foothold, the party will certainly be able to count on understanding of the fact that it is emphasizing its profile, provided that this takes place on an honest basis.

However, the Christian People's Party does not have its arguments in order in the current issue. The finance minister has rightly pointed to the party's agreement on the fact that energy taxes alone are to neutralize the price drop. As he says, nothing will be taken from anyone. He is right about this, and the Christian People's Party, which usually has a sober and well-informed relationship to economic realities, ought of course to come to the same recognition. In return the government could offer the party that the occasion be used for broad economic stocktaking and that the problems which are on the party's mind be involved in this connection. The truth is that there is a need for such stocktaking, quite as in the spring of 1984, when the government and the Radical Liberals concluded an economic compromise as a prelude to the compromise situation to follow. The need this year is just in a way far greater. The approaching wage negotiations will be complicated not only by the level of activity and bottlenecks, but also have a long retinue of problems, including demands for pension reform and OD [economic democracy], as well as brewing dissatisfaction in the public sector. To this are added unclarified consequences concerning the repeal of the waiting period for

insurance, the question of future employer's taxes, as well as many other things, including, especially, the compromise outcome's influence on social disbursements.

It is true of the great majority of these things that together they can have a rather strong influence on the country's economy, including public finances. This will take place, at that, from a point in time when the Folketing with the tax reform has allowed itself the extravagance of giving way to a consumption expansion of three billion to four billion kroner.

There truly is a need for stocktaking of both the economic and social realities. If the Christian People's Party muddles the current situation by shoving some emotional demands into the ring sideways, it will be bad. But if the party's action spurs the government toward a united plan of action, it will be good.

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CSO: 3613/114

PRESIDENTIAL CAMPAIGN GETS OFF TO EARLY START, CHARGES HURLED

Liikanen Attacks Vayrynen

Helsinki UUSI SUOMI in Finnish 19 Apr 86 p 11

[Article by Kaija Lahteenmaa: "Erkki Liikanen on Vayrynen's Entry into the Presidential Campaign: 'Blindness to Acceleration Threatens Center Party'"]

[Text] SDP [Social Democratic Party] party secretary Erkki Liikanen is of the opinion that the Center Party (KEPU) and the KEPU chairman, Foreign Minister Paavo Vayrynen, have launched a "quite open" presidential campaign.

According to Liikanen, the KEPU is pursuing a policy of needling the current president, one that goes beyond the bounds of propriety and good taste. According to Liikanen, it would be appropriate for us to expect tactfulness, especially from the foreign minister, toward the top foreign policy leader, the president.

Liikanen was not willing to specify where the KEPU's presidential campaign is evident.

According to him, anyone who reads the chief organ of the KEPU, SUOMENMAA, will perceive this policy of needling aimed at the president.

Blindness to Acceleration Threatens KEPU

In Erkki Liikanen's opinion, just the editors' amusing themselves cannot be behind this.

"It's hard to imagine that SUOMENMAA might be maintained so that its editors can fulfill themselves. Of course, it's the paper's job to reflect the party and Pursimiehenkatu's (where the KEPU party bureau is located) opinions," he said.

In Liikanen's opinion, the KEPU's presidential campaign is threatened by a blindness to its acceleration which is evident precisely in the columns of the KEPU organs.

"Where Will We Yet End Up?"

Liikanen gave us to understand that the very foundations of our basic institutions are being shaken by Vayrynen's presidential career ambitions.

"If the foreign minister's party has its own presidential candidate and the foreign minister's party conducts a presidential campaign, which it, of course, has a right to do, then we can demand of it good taste and proper conduct. Otherwise, our basic institutions will enter a difficult phase.

"Precisely the loyalty of the foreign minister's party to our foreign policy leader should be particularly strong."

So, is our foreign policy being damaged?

"I wouldn't say that. But if things go on as they are now, where will we end up?" Liikanen replied. And he pointed out that Kekkonen, running as a candidate for the presidency, and the Finnish Rural Party behaved toward Paasikivi "with conspicuous reverence and respect" in the 1950 election campaign.

Others Are Moderate

In Liikanen's opinion, the other parties have behaved in a very moderate way with regard to the coming presidential elections.

So, the Social Democrats are satisfied, whereas the Conservative Party has not yet been able to nominate its own presidential candidate.

"I don't believe that the nomination of a presidential candidate will be a problem for the Conservative Party. Harri Holkeri did well in the last elections, placing second. As an outsider, I don't understand why the Conservative Party would not nominate Holkeri as its candidate this time too."

Their Own Record Is Clean

According to Liikanen, the Social Democrats' own record in the presidential race is clean, although the party has raised a ruckus over the Foreign Ministry's training and recruiting policy, which has "slipped to the Right," and has in part shifted the blame to Foreign Minister Vayrynen's shoulders.

Isn't it because of the presidential race that they have tried to, at least in some sense, make Vayrynen out to be unreliable in foreign policy matters?

"Now no one has claimed that to be so. But if they take a grossly one-sided view of the Foreign Ministry's training and recruitment policy, and the foreign minister is informed of this, that is a very rash act.

"If we don't react now, how do we know where we will be confronted with the same kind of problems next time?"

Natural That Koivisto Should Stay On

According to Liikanen, the Social Democrats have not yet asked President Mauno Koivisto to run as a candidate, nor has the matter been discussed any more than that.

Liikanen nevertheless said that he felt that it was "perfectly natural" that Koivisto be nominated as a candidate in the next presidential elections.

"The fact that, since so-called public opinion, in other words some nonsocialist newspapers, has criticized Koivisto, some people imagine that Koivisto may no longer stay on because of this is an incredible kind of logic," Liikanen marveled.

"A Finn's will to fight is only sharpened by confrontations. And there is no reason to suppose that Koivisto is any different from other citizens in this respect."

Brief Candidacy

Liikanen feels that it is just as natural as Koivisto's candidacy that the current president be nominated at an early point in the presidential race.

According to Liikanen, a lengthy campaign would only interfere with the handling of the office.

Then how long is the right space of time?

"I can't say exactly how long, but the period of time should be very brief."

Vayrynen's Prime Ministership

In so-called political circles they say that, if Vayrynen longs to be president, a nonsocialist government will have to be the next one to be formed.

In that way Vayrynen would get to be prime minister and Vayrynen would with a Conservative Party-Center government be assured of the entire nonsocialist grass roots and would receive the votes of the nonsocialist constituency as a reward in the presidential elections.

Liikanen does feel that a nonsocialist government is likely, but it is, of course, possible. He pointed out that the president appoints the man who forms the government, that is, the prime minister, and that is why he did not want to speculate on this.

"I've noticed that the president of the republic does not willingly intervene in matters that do not concern him. But he does have a firm grip on those matters that do concern him," Liikanen said.

Another question, according to Liikanen, is a possible expansion of the government coalition. On this he repeated the SDP's earlier position, that the matter lies in the Conservative Party's own hands.

"There is room for it in the urban Center, especially since the KEPU has been leaning more and more in the direction of the old Rural Party."

Kaariainen Attacks Liikanen

Helsinki UUSI SUOMI in Finnish 22 Apr 86 p 7

[Article: "Kaariainen Replies to Liikanen: 'Claims About the Presidential Campaign Are Unfounded'"]

[Text] KEPU party secretary Seppo Kaariainen feels that party secretary Erkki Liikanen's (Social Democrat) claims about the KEPU's launching a presidential campaign are "clearly unfounded."

Kaariainen said that his party operates in a way that presupposes rules in the presidential issue: The KEPU's presidential candidate will be chosen at the party congress to be held next June.

According to Kaariainen, not even the election campaigning will begin before the fall of 1987.

The presidential elections will be held in January 1988.

In an interview with UUSI SUOMI Liikanen said that the KEPU has launched a "quite open" presidential campaign in which a policy of needling the current president is being pursued.

According to Liikanen, the KEPU is going beyond the bounds of propriety and good taste in its election campaign.

"We Don't Guess at His Motives"

Kaariainen did not want to inquire as to the motives behind Liikanen's claims.

"Guessing at them is not among the duties of the KEPU," he said.

The Social Democrats have criticized its chairman, Foreign Minister Paavo Vayrynen (KEPU), because, in addition to the presidential campaign, the Foreign Ministry he heads is among other things alleged to have slipped to the Right in its training and personnel [hiring] policy.

Kaariainen was unwilling to comment on charges involving the Social Democrats' Foreign Ministry.

According to him, with reference to the statements Liikanen made in the interview, the thought readily comes to mind that the latter would associate himself with a more extensive operation against the KEPU.

How much more extensive?

"We don't need to be more precise about that," Kaariainen replied.

"Music in the Distance"

In Kaariainen's opinion, the coming presidential elections will not affect co-operation in the government.

He said that he feels that it is clear that the present government will be handling the affairs of the nation well until the end of the current election term, that is, until the spring parliamentary elections.

So talk of a postelection government coalition is, according to Kaariainen, "music in the distance." In his opinion, it is, however, important to keep all alternatives open.

"We must first take a look at the parliamentary elections," he said.

Liikanen said that he regards a nonsocialist government as unlikely, although all the same possible.

Paper Views Charges

Helsinki UUSI SUOMI in Finnish 23 Apr 86 p 2

[Editorial: "Koivisto and Vayrynen"]

[Text] The approach of the presidential elections has already heated up relations among the chief government parties. In an interview with UUSI SUOMI SDP party secretary Erkki Liikanen charged Paavo Vayrynen with accelerating the campaign and with making the current president's position more difficult -- with respect to guiding foreign policy as well.

KEPU party secretary Seppo Kaariainen, of course, denied the claims that the KEPU is pursuing a policy of needling [the president], striving for a pacifying style of rhetoric. His response, however, has scarcely satisfied the Social Democrats. It is to be anticipated that this controversy will become more intense before we get to the evening of 15 February 1988.

At this point a cynic might look for references to the proper treatment of the president then in office in, for example, the columns of SUOMENMAA during the Urho Kekkonen era. It is, however, more productive than this pro-and-con game to consider the current national leader's position in public debate in general and especially in light of the approaching presidential elections.

While we have never had a national monarch, there are monarchical features in the Finnish soul. Or perhaps our penchant for monarchism stems precisely from the fact that for centuries the monarch was remote and therefore easier to worship than a person one is familiar with because of his proximity.

Even more monarchical features than in some kingdoms have been preserved in our presidential institution -- in part because state caretaker Mannerheim, who was schooled at the court of the czar, created our protocol forms, but certainly also because these features have been felt to be necessary. They have to some extent in their forms even united a torn nation and through them the president has to some extent been preserved as a symbol of national unity.

Thus the president has generally been regarded as inviolable and restraint has been stressed in criticizing him. True, many presidents from Stahlberg to Kekkonen have also been harshly insulted, but this has usually been done less publicly. On the other hand, the president is supposed to be above the parties.

Inviolability would be a simple goal to achieve if the president were first and foremost a representative individual or if he were at the most -- as in some other countries -- a "last reserve" to relieve political crises. In Finland, however, he participates most essentially in continuous decision-making. In a democracy one must be able to take a stand on the decisions of the decision-makers.

People have tried to label our presidential elections as being monarchical before too in that they have, among other things, tried to label the nomination of a candidate to oppose the president in office as being a vote of no confidence against the latter. This is not the issue; the lack of an opposing candidate would, on the contrary, be a symptom of the withering of democracy.

This being the case, discussion and nomination of presidential candidates is perfectly natural. It is also very irrelevant to attempt to ride on Mauno Koivisto's national popularity in the coming parliamentary elections by, for example, inflaming people's minds through condemnation of nominations of opposing candidates.

On the other hand, we should not act hastily; there is still plenty of time for campaigning for the presidential elections. The KEPU has indeed very adroitly replied to the SDP in stating that Paavo Vayrynen's election campaign would not really begin until the fall of 1987. At that time too, it would be desirable to stick to a relevant style of rhetoric -- which cannot, however, mean refraining from criticism.

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CS0: 3617/104

SORSA, SUOMINEN DEBATE SEEN AS PREVIEW OF 1987 ELECTION

Helsinki HUFVUDSTADSBLADET in Swedish 3 Apr 86 p 10

[Article by J-AE]

[Text] The chairmen of the two biggest parties--Kalevi Sorsa of the SDP [Social Democratic Party] and Ilkka Suominen of the Conservative Party--met on Wednesday evening for a debate on the future during a meeting in Botby that was sponsored by the SDP local association at the Eastern Community Center. Their exchange of views did not produce anything new, but it did provide opportunities for interesting comparisons.

A large audience had gathered to follow the discussion--as well as to ask questions. There were several hundred people in the room.

Kalevi Sorsa began the whole thing by summarizing the substance of what will be the SDP's new program of principles. He was followed by Ilkka Suominen, who based his opening remarks on a future-oriented "basis for deliberations" that had been worked out within the Conservative Party some time before. The intention was that the discussion would answer the question of what the parties intend to base their policies on as we enter the 21st century. The question was: for what and with whom?

The second part of that question was never answered. Ilkka Suominen said he simply believed that changes in public opinion would put an end to the Conservative Party's time in the opposition.

The debate was concerned mainly with views of the individual. Sorsa emphasized that equality would continue to be the most important thing in Social Democratic policy. Suominen spoke in favor of a view of humanity centered on the individual and of private enterprise.

"The Right of Mig:it"

Sorsa drew the conclusion that in its emphasis on the individual, the Conservative Party is in fact embracing the principle that "the strongest individual should have freedom to advance." The SDP's approach is based on the idea that individuals are social and interdependent citizens.

The SDP chairman noted that in his opening remarks, Ilkka Suominen had repudiated the idea of cooperation funds in the firms. "The Conservative Party approves of letting the owners and banks manage the firms. The SDP thinks that besides the owners and financiers, the employees should also be considered and allowed to have their say in the firm," said Sorsa. He said he took it for granted that doing so would result in strong and advanced firms.

And lastly, Sorsa mentioned Suominen's favorable view of the need for flexibility in employment. According to Sorsa, flexibility as such is needed in industrial life. And the employers also need the opportunity to be flexible. But flexibility must not lead to increased insecurity for the employees.

"Good for People To Do Well"

Ilkka Suominen answered by saying that the Conservative Party "is not in favor of the right of might." Suominen said: "But we are happy if Finns do well, and it is also good if some do better than average. But the weak must also have a secure place in society and the right to strive for a better place for themselves." He added that collectives can also exercise the right of might in a brutal way.

Concerning the cooperation funds, he noted, among other things, that inequality will arise in society because there is scarcely any means of introducing such funds into the public sector as well. In that connection, he reminded his audience that for its part, the Conservative Party had already taken a stand in favor of a system that would make it possible for employees to purchase shares in their own firms.

And concerning flexibility in employment, Suominen emphasized that Finland is a true "negotiating society" in which nothing can be done solely on one party's conditions.

"Choice Between Threats"

Following the opening statements and the direct mutual comments, the audience was allowed to ask questions. The first question was concerned with nuclear energy and was asked by a person who expressed clear opposition to more nuclear power.

Sorsa avoided taking a personal stand. He simply emphasized that a choice would soon have to be made on what kind of energy expansion we want. He admitted that it would be a hard choice for Parliament and that it would be a choice between "a known threat"--coal-derived energy and its drawbacks--and "a less well-known and, for many people, greater threat." Suominen took a straightforward stand in favor of more nuclear power.

The subject of political appointments also came up. Sorsa said they would always exist because there are political posts to be filled. But political connections and competence are not necessarily mutually exclusive. And that being the case, he felt that his political secretary was extremely qualified

to be head of the Information Center for Insurance Companies. But that is a position in the private sector.

Ilkka Suominen said he was "as surprised as you are" at newspaper reports saying that the banks intend to start charging for withdrawals from deposit accounts. He expressed decided criticism of those plans and said that the banks have recently been committing every psychological mistake they could possibly commit to make themselves unpopular.

Less Pressure on Labor Market

The prime minister answered a question about unemployment by saying that "if we knew how all the unemployed could be given work, they would all have jobs by now." He explained the current unemployment rate as being due primarily to the fact that people born in the years of the baby boom have now reached the job market. And the approximately 200,000 new jobs created since about 1978 have not been sufficient. But the pressure on the labor market is now easing, so it is possible that the prospects are getting brighter.

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CSO: 3650/187

POLL FINDS CONTINUED HIGH LEVEL OF SUPPORT FOR FOREIGN POLICY

Helsinki HUFVUDSTADSBLADET in Swedish 4 Apr 86 p 14

[Text] (FNB)--The citizens continue to have strong confidence in Finland's foreign policy. More than 9 out of 10 Finns rate the handling of foreign policy favorably. In a poll conducted in January and February, 93 percent of those polled felt that foreign policy had been conducted well in recent years, while only 4 percent felt that it had been handled poorly.

That favorable opinion of the handling of foreign policy has remained about the same since 1981. Confidence in the foreign policy was also at that level during the first 2 years of the 1970's. The Defense Information Planning Center has commissioned polls at regular intervals to determine the level of confidence in foreign policy, and this latest poll was conducted by the Economic Research Company, which interviewed 2,000 Finns over the age of 15 for the purpose.

According to the poll, the Treaty of Friendship, Cooperation, and Mutual Assistance between Finland and the Soviet Union is viewed on the whole as a positive thing. Of those polled, 83 percent considered the agreement positive, while 5 percent had a negative attitude toward it. The attitude of the citizens toward the treaty has not changed appreciably during the 1980's.

Defense Appropriations More Unpopular

On the other hand, the attitude toward higher defense appropriations has turned more negative. At present, 26 percent of the citizens want an increase in defense appropriations, compared to 36 percent last year. And 57 percent of those responding feel that the current appropriation level is adequate, compared to 48 percent last year. Those wanting defense appropriations to be decreased total 13 percent, compared to 12 percent last year.

Over two-thirds of the Finns--68 percent, to be exact--feel that the current number of military refresher courses is enough. The percentage wanting the number of refresher courses to be increased and the percentage wanting it to be decreased are the same: 13 percent. At the end of the 1970's, the attitude toward refresher courses was somewhat more favorable than it is now.

The Finnish attitude toward the various aspects of security policy is also very positive. To ensure the country's security, 90 percent feel that the defense forces are necessary, while 89 percent feel that protection of the population is necessary, 95 percent consider economic independence necessary, and 89 percent consider universal conscription necessary.

In addition, 87 percent of the citizens feel that the activities of the United Nations are necessary for the country's security, and 67 percent consider the activities of the peace movements necessary for the country's security.

The opinions of Finns concerning what is important in life were surveyed by asking them to rate six suggested qualities of life by order of importance. Of those responding, 43 percent put peace in first place, 16 percent said the country's independence was most important, and 15 percent chose a good livelihood. Also, 11 percent put their own employment first, 7 percent said unspoiled nature, and 6 percent chose the elimination of famine in the world.

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CSO: 3650/187

POLL INDICATES RURAL PARTY GAINED BY JOINING GOVERNMENT

Helsinki HUFVUDSTADSBLADET in Swedish 2 Apr 86 p 11

[Text] (FNB/MI)—A poll commissioned by the Finnish Rural Party [SMP] shows that voters feel that the party's importance has increased during its years in the government in comparison with the time when it was in the opposition. The party has also received marked support from the field for staying in the government even if all its goals are not achieved.

The Finnish Rural Party is getting its election campaign underway a year before the parliamentary elections. The results of a poll commissioned by the party as the basis for its campaign were announced by party chairman Pekka Vennamo on Tuesday.

The poll shows that the SMP's image with voters is partly imperfect and partly erroneous and contradictory. By starting its campaign in good time, the party is trying to correct that image and provide true information about the SMP's goals, said Vennamo.

It emerges from the poll, which was conducted a year ago, that the SMP is regarded as a kind of class party, even though, according to its chairman, it is a universal party. According to the poll, the voters are well aware of the party's efforts to improve the lot of war veterans, pensioners, and small farmers. On the other hand, the public is not aware of its activities on behalf of families with children, salaried employees, and city dwellers.

The SMP has already begun selecting candidates for next year's parliamentary elections. The intention is to have most of the candidates chosen before the party congress in August of this year.

The SMP is also circulating an informational newspaper to all households to make the party's objectives known. About 1.9 million copies of the newspaper are being printed at a cost of between 500,000 and 700,000 markkas. Chairman Vennamo pointed out during a press conference on Tuesday that the campaign now underway has no connection with the current government situation. He hopes that the government will be able to remain in office until the parliamentary elections next fall. And the poll results support him in that view.

According to the poll, 69 percent of those interviewed feel that the SMP should remain in the government even if the party cannot achieve all its objectives. Over 80 percent of the SMP's supporters hold that view.

The poll was conducted by Markkinointi Topi Torma. The characteristics attributed to the SMP are, on the one hand, that it upholds the interests of the little people and is cooperative and reform minded and, on the other, that it is ruthless and greedy for power. According to the poll, the SMP is viewed as being even more clearly in the political center than the Center Party.

According to Vennamo, that indicates that the SMP should not draw closer to the Center Party but continue along the same path as before. Vennamo also repeated the SMP's demand that the next government should be based on the principle that the winners in the election should be part of the government.

11798

CSO: 3650/187

SITUATION SEEN READY FOR SOLVING GREEK--TURKISH DIFFERENCES

Athens MESIMVRINI in Greek 2 Apr 86 p 6

[Article by K. Kolmer]

[Text] Now that the visit of U.S. Secretary of State George Shultz to our country has ended without the "catastrophes" and humiliations for the national interests anticipated by the belated...super-nationalists from the left and right, this is the moment, we believe, to re-examine our foreign policy, particularly our relations with Turkey. Recent developments in Turkey--which is also the major country in the southeastern basin of the Mediterranean--will be of much help in this process, as will surely the easy way in which Shultz dealt with Turk and Greek, but also Italian, power-managers. A way which showed that their U.S. counterparts are not hurrying, nor are they being forced, to achieve results where only a long-term and unhesitating policy can pay off--as, for example, in dealing with the Qadhafi type of national terrorism. In other words, we are in a period in which the U.S. policy is maturing, which can produce benefits, for our country, at least--if, of course, we awaken from the stupor of the fruitless anti-American demagoguery and become more pragmatic and flexible, trying to benefit by this international juncture on behalf of the country's interest.

Let us look in detail, however, at how the new scenario of international relations in the wider area including us is opening up before us and how we can derive benefits from this.

Turkey's Weakening

First let us look at our implacable friend, Turkey. Despite what is said to the contrary, the end of 1985 found the Turkish economy in a slump. The extended period of stabilization for the Turkish economy (1982-1985) ended, and a new one began, a period of strong turbulence which, little by little, is shaking the Turgut Ozal government and making it more suited to concessions and compromises, at least in the foreign sector.

Inflation in Turkey in 1985 repeated its upward trend (the cost of living in Istanbul rose by 48 percent), fittingly fanned by a greatly increased monetary circulation (up 32.2 percent) and money supply (23.2 percent). Despite an 11-percent increase in exports in 1985, to about 8 billion dollars--nearly double Greek exports--the Turkish balance of payments left a trade deficit of 3.3 billion dollars which, even though decreased by 8 percent in comparison to 1984, is

reaching such levels that the influx of emigrant remittances (1.9 billion dollars in 1985, from what we calculate) is not enough to cover it. As a result, there has been a drastic decrease in Turkey's exchange reserves which at the end of 1985 were down 23 percent compared to 1984, to a meager 1,257 million dollars--about as much as our own.

It is clear that Ozal's experiment in the economics of supply produced whatever it was able to produce, and from here on if public expenses--and demand--are not restricted in Turkey, and if the freeing of the Turkish economy from its bonds to Kemal does not proceed, economic illness will almost certainly return to our neighboring country. With the consequent, inevitable repercussions....

This is an opportunity for both Ozal and his associates in the West, among whom are, inevitably, the Greeks. Furthermore, the easy way in which Shultz dealt with the Turk's little extortions in Ankara and Istanbul proves that even the Americans have noticed the Turks' weakness and are not yielding to their bravadoes (such as "Take the bases and get out") or their bluffs ("We will seek aid from the Soviets").

The Turkish Extortions Failed

Actually, the Turks are more in need of the U.S. bases staying in Turkey than the Americans; this is in order to maintain a guarantee for their territory against the Soviet threat and to upgrade the Turkish armed forces' diminishing defensive capability. The Soviets' ability to make a replacement for the one billion dollars in U.S. aid annually--even in the theoretical case that such a thing would be accepted by the U.S.-educated Turkish militarists--has been reduced drastically by the fall in oil prices. Which means for the Soviet Union a loss of one billion dollars every time a barrel of oil loses two dollars--and it has lost 15 lately.

The Oil Weapon Has Misfired

This new reality--namely, the drastic reduction in petroleum revenues--has forced Turkey not only to forget its longstanding flirt with the Soviet Union, but also Ozal's recent love affair with "our brother" Arabs--something which our own Papoulas cannot yet forget.

The Arabs, who until recently handed out gold Rolexes to the hotel porters, have again become "the robbers of the pilgrims to Mecca" because of the curtailment of their income from oil. And the strong lesson they are getting every day from the Iranian mullahs who teach that the Koran does not agree with the western way of life (Editor's note: And without the western way of production, education and freedom) makes them more circumspect in spending their petroleum revenues.

Perhaps they have not received the message yet in Riyadh or Cairo--particularly where they have recently had a taste of what Islamic "schizophrenia" is, namely, a return to the roots of Muhammad. Ozal, however, who is more a child of capitalism than Muhammadism, realized in time that he "has no other livelihood" in the Arab countries and he turned to the West. He remembered the "indestructible bonds which Kemal Ataturk forged with the developed West" and forgot the haughty words about the Islamic roots of the party of the "Motherland." So he made a virtue of necessity and took the news to Brussels, London and the great United States. He ordered the Turkish banks to advertize in influential printed matter

in the West about the paradise Turkey is about to become for foreign lenders. He asked President Reagan to seek from the Senate a treaty on the protection of U.S. capital invested in Turkey.

Trend to the West

At the same time, Ozal sought a refunctioning of the Turkey-EEC association agreement and set a course for entering his country into the united Europe in 1996--the earliest possible.

Here is, however, where the new Ozal line comes into our territory--it may be good Karamanlis put us in the "EEC of monopolies" and thus Papandreou can draw loans from the EEC to finance the KAPI [expansion unknown] and Pangalos can play Tallyrand in the privy councils of the West.

Instead, however, of Greece exploiting this unique opportunity to become Turkey's sponsor in the EEC, with serious exchanges, of course--and we have many things to ask for from the Turks, from respect for the ancient patriarchate in Istanbul to the withdrawal of troops from occupied Cyprus--it threw it away to fruitless anti-Turkism. Papandreou and the uneducated people around him are forgetting, however, that the national interests must not become the prey of party expediences, especially when the opportunities to promote both of these are ephemeral. Because the Turkish trend to the West cannot be retarded by Pangalos or the 24 Greek Eurodeputies--when they are not undermining each other--and the municipal elections are not going to be won, or lost, because PASOK "banks on" modern Greeks' aversion to anything Turkish. (All it takes is for Mitsotakis to make his incorrect choice on the person of the candidate mayor of Athens for the "other, democratic forces" to win another victory.)

The 12 Miles

There is, however, another element in the Greek-Turkish tug-of-war: the acknowledgement, by the United States, of the 12 miles!

The Greek Ministry of Foreign Affairs¹, with its many distinguished officials (who the green-guards are stupidly trying to decrease at every opportunity) would surely observe that during the recent showdown between the Libyan dictator, Qadhafi, and the U.S. Sixth Fleet, the State Department spokesman stated that "the United States only recognizes the 12-mile zone as territorial waters, not in the contested sense of closed gulfs--and among these, of course, is not included the Gulf of Sidra where Greek fishermen have been seized repeatedly by Libyan coast-guard ships. And also that although the United States has not signed the international agreement on the Law of the Sea as it has been formulated since 1955, particularly with the Caracas agreement in 1982 where the 12-mile limit was established as a precept of international law, nonetheless, it has recognized the section of the Law of the Sea which refers to the 12-mile zone, "in point of fact."

This fact has particular significance for . . . Because it is an international precedent. In other words, when the Americans conduct naval exercises in the Gulf of Sidra and do not come any closer to unfriendly Libya than 12 miles, why would they continue to have naval exercises with the Turks in the Aegean past the 12 miles, and up to the 6 miles where the territorial waters of (their friend

and ally) Greece are located--poorly located--today. Unless Greece, as a sovereign state, allows the alliance to use the 12 miles.

The benefit for our national rights automatically emerges and the Turks are forced to accept what they themselves have created--at the Soviets' expense--in the Black Sea: The 12 miles! At the same time, the issue of our airspace is solved since the 10 miles are covered by the 12 miles, the absurd Limnos issue is settled, as is whatever else has been created by the unhealthy imagination of the Turkish militarists.

We must act quickly even if--bad luck--Greece is in the hands of inappropriate people. The opportunity is unique and will not come again in the foreseeable future. With the Turks on bad terms with the Americans, as Shultz's visit to Ankara showed, and hurrying to the Common Market, and the Greek Government in a period of re-warming its relations with the United States--even if step-by-step--and the united Europe, there are now serious possibilities for us to solve our differences with Turkey with the least possible cost to the nation. As for the political cost for Papandreou, we do not care about this because it is non-existent. The most Papandreou can do is displease the matricidal Greek communists who, as a mouthpiece of Moscow, will be annoyed that the Greek and Turkish coexistence will restore the harmonious functioning of the southeastern wing of NATO, which is our only shield against the never-resting communist danger against the motherland, except in the troubled minds of the uneducated politickers in Athens.

(1) [The following passage in slantlines was presented as a footnote in italics] /The recent clash between Libya and the United States in the Gulf of Sidra waters had a side which was heeded least by the Greek side--although it was of particular importance for our national interests. This had to do with the very first official U.S. proclamation about respecting only the zone of 12 miles of territorial waters.

The fact that the Americans were forced for the first time to recognize the 12 miles has particular significance for Greek rights since, heretofore, the United States has not tacitly recognized Greece's right to extend its territorial waters from 6 to 12 miles, and our rival, Turkey, considered any extension a casus belli, that is, a cause for war.

The Americans are already talking directly and sincerely about the 12 miles, however. And it would be extremely difficult for them to use a "different language" if the Greek Government made use of the right to extend Greece's territorial waters to the limits allowed by international law.

As for our neighbor, Turkey, it would be extremely strange for it to proclaim war on Greece simply and only because the latter is thinking of exercising its rights. We need not say that a gradual extension of Greek territorial waters to the 12 miles would be a very useful negotiating weapon in the hands of the Greek Government now that Turkey is facing its relations with Greece from a position of weakness. As for the danger of war between Greece and Turkey, the possibilities are minimal because it is well-known what value the Turks' bravadoes have when they want to terrorize and blackmail neighboring or allied countries. None./

The opinions expressed in this column are independent and not binding on MESIM-VRINI, nor do they necessarily express its political line.

ROLF PRESTHUS ELECTED CHAIRMAN AT CONSERVATIVES' CONGRESS

Emphasis on Freedom, Security

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 5

[Article by Lars Hellberg: "Conservative Party Promises Both Freedom and Security"; first paragraph is boldfaced lead-in in original]

[Text] The Conservative Party gathers today for its national congress under the banner of "freedom and security." In practical politics, this means across-the-board cuts in government spending, with one exception. After it elects Rolf Presthus the new chairman, the national congress will conclude with a demand for new ideas, fresh efforts, and continued real growth in the health-care and social-welfare sector.

The largest government party acknowledges that the Labor Party has won by focusing on health and security. On the other hand, the Labor Party's "freedom campaign" is interpreted as recognition of the fact that the opposition lost the election in the freedom debate, among other places.

Both/And

"It is not a matter of freedom or security. The one does not exclude the other. We will give the Norwegian people both freedom and security," emphasizes parliamentary representative Annelise Hoegh, who will present the main speech on social policy at the national congress. In this area, the needs of the elderly and of families with small children will occupy a prominent place.

Prior to the national congress, the desire to protect and expand the welfare state was expressed best in a resolution proposed by the Norwegian League of Conservative Students: "As the number of elderly persons increases, more and more will need care and nursing. The construction of new nursing homes must continue," it is stated in the proposed resolution. At the same time, it is emphasized that it is important to encourage open care and that the elderly are a significant resource group.

Freedom Campaign

In addition to a freedom resolution, three other themes will occupy a central place in the political debate: regional development, women's rights, and security

policy. In the domain of security policy, the national congress will stress the necessity of a steady and predictable course in close collaboration with our allies. Since it is known that directives and regulations do not assure growth, vital importance is attached to incentives in regional development policy.

Tax Cuts

The Conservative Party stands firm on the need for new tax cuts: it takes aim at a further reduction in the graduated income tax. The need for a "special effort to increase the number of new business establishments, particularly in the outlying districts" is stressed in the central board's annual report. Production and economic life must be beefed up, and increased creativity and reconversion capacity must be encouraged," states the report.

However, no attempt is made to deny that the growth of government spending, together with a significant increase in loans and public consumption, has led to rising pressures.

"It is necessary to practice a policy of economic retrenchment in order to alleviate pressure on the economy. In that way we can prevent the increase in expenditures and the rise in prices from becoming too high. This is vital if we are to safeguard jobs and social welfare. The goal is to secure work for everyone and to further develop the welfare state," it is affirmed in the annual report.

Presthus Brings New Style

Oslo AFTENPOSTEN in Norwegian 19 Apr 86 p 3

[Commentary by Lars Hellberg: "Change in Chairmen for Conservative Party: Great Things Expected From Presthus"; first paragraph is boldfaced lead-in in original]

[Text] In Rolf Presthus the Conservative Party is getting a chairman who can bring the party together and who has political clout that extends far beyond the Conservatives' own ranks. This weekend the national congress can only confirm that Presthus has the solid support of the party apparatus and the party constituents. To the extent that he has a problem, it is linked to the great things that are expected from him as the Conservative Party's operational leader in a political situation which can fast become embarrassingly turbulent.

The task is to practice an aggressive liberal-conservative policy. The goal is to consolidate and strengthen the Conservative Party's position within the framework of nonsocialist cooperation. If he avoids breaking his neck, he will be the Conservative Party's next prime minister.

Head of the Finance Ministry since 1981, Presthus has occupied a unique position as architect of cooperation. He knows from the inside the limits to and the possibilities for cooperation. He is perhaps better qualified than anyone else to mark out the Conservative Party's distinctive character without doing so to the detriment of essential compromises with the Christian People's Party and the Center Party.

No Revolution

The change in chairmen does not represent a revolution. The abrupt change in chairmen in 1984 was as close as the Conservative Party will ever come to a revolution. That time, as everyone knows, it was the party apparatus, not to mention the secretarial corps, which caused a commotion by demanding the return of the peripatetic Erling Norvik, who had been a source of inspiration during his first term as chairman. They got him back, but it would be wrong to say that Norvik's second term as chairman was as successful as the first.

Heavyweight

The situation is different today. In Rolf Presthus the Conservative Party is getting a political heavyweight with broad popular appeal as party chairman.

Just as important is the fact that with his extensive experience as parliamentarian and as government member he can better coordinate the party's three power centers: the Conservative Party's main organization, the members of the government, and the parliamentary group. There have been no appreciable problems between the latter two, but in recent years the party apparatus has operated in a vacuum as far as power politics is concerned.

Given Free Hand

That is not first and foremost Norvik's fault but is rather a result of the fact that the Conservative Party's dominant position on the nonsocialist side has of necessity been tied in with its government position. In many ways, Norvik has been given a free hand with respect to both the Parliament and the government. This has enabled him to mark out the Conservative Party's distinctive viewpoints, but other people have had to see to it that the party exerts some influence in practical politics.

"The Slugger"

When Rolf Presthus entered the Parliament as deputy representative a quarter of a century ago, he quickly became known as "the slugger from Oppegard." It says a lot about his development as a politician and about Norwegian politics in general that today Finn Graff in ARBEIDERBLADET likes to draw him as every child's best friend, Ferdinand the ox. Presthus is a born politician and was only 16 years old when he became an executive member of the Young Conservatives in Oppegard.

As everyone knows, Presthus coyly claimed he was enjoying himself so much as finance minister that he did not want to become party chairman. The truth is that he could not say no. There was never any doubt in informed circles that he would say yes when the time came.

Right Moment

It is also part of this picture that today the finance minister, who is not yet 50 years old, emerges as Kare Willoch's most likely successor to the post of prime minister. Willoch himself will decide when this issue is to become topical. But

when Presthus changes pasture at the strategically right moment, it is due to the fact that both he and others have set their sights far beyond this weekend's national congress. Besides, the lieutenant colonels at Huseby will quickly discover that the Defense Forces are not downgraded when the new party chairman also becomes the minister of defense.

The differences between Presthus and Norvik are obvious. Presthus will give the post of chairman a substance and a style totally different from what people have accustomed themselves to under Norvik. As party chairman and government member, Presthus will operate over a broader political spectrum than Norvik did. But Presthus has one thing in common with the Norvik people know from his first term as chairman: he is the right man in the right place at the right time.

Norvik's Contribution

Erling Norvik popularized the Conservative Party to such a degree that many people were unfortunate enough to confuse him with the Conservative wave. However, as he himself would be the first to point out, it was the Conservative wave which created Erling Norvik the politician--not the other way around. He was, in short, the chairman the Conservative Party needed in 1974. When he became chairman, he had served as first vice-chairman for 4 years, at the request of Kare Willoch by the way.

Fortunate Choice

This year's national congress will in many ways differ sharply from what happened in 1970. That time, Willoch was elected chairman in a tough three-man race. The third candidate for chairman, Lars T. Platou, was chosen second vice-chairman. It was a fortunate choice. Under dismal circumstances, the trio of Willoch, Norvik, and Platou laid the groundwork for the Conservative Party's forward march through the 1970s and into the 1980s.

But it was first with Norvik as chairman that the Conservative Party consolidated and strengthened its position as the leading, not to mention dominant, nonsocialist party. In the 1973 elections, the Conservative Party received 17.4 percent of the vote, while 12.3 percent and 11 percent of the voters went with the Christian People's Party and the Center Party, respectively. As the largest and thereby most vulnerable government party, the Conservatives received 30.4 percent of the vote last autumn, more than twice as many votes as the two other collaborative parties combined.

For the Conservatives it marked a slight falloff from the bang-up election of 1981, but what first and foremost characterizes today's Conservative Party is its remarkable stability. Remarkable because the strains which resulted from inner squabbles and outer shakeups in the economic sphere have been--and are--dramatic. Rolf Presthus takes over the helm of a party with a considerable potential for growth. But aside from being elected enthusiastically, he does not get anything for free.

Willoch Stresses Social Gains

Oslo AFTENPOSTEN in Norwegian 19 Apr 86 p 12

[Article by Eivind G. Karlsen: "Sky's the Limit for Norway!"; first paragraph is boldfaced lead-in in original]

[Text] "The world's first fully developed welfare state where the problems of providing care are solved by a rational division of labor and in complete freedom: this is what Norway is qualified to be," said Prime Minister Kare Willoch at the Conservative Party's national congress on Friday afternoon. He also declared: "The sky's the limit for Norway in both security and freedom. We shall show the world that there's no conflict between these goals but rather that they are inter-dependent."

Willoch emphasized that the Norwegian economy is in much better shape than it was at the start of the 1980s, but again he cautioned: "If we prepare sensibly now, we can make the mainland economy so strong that we'll be able to hold our own despite the price wars which rage on the oil market."

"The solid show of activity in trade and industry with a wealth of enterprise and initiative, the sharp increase in jobs and the high level of investment--everything indicates that this opportunity is present," added Willoch.

A Vision

"We have a vision of a society where every single human being can take delight in material and cultural security and in the freedom to act and develop creatively."

"Because we are not dreamers and because we want genuine results, we will not pretend that economic obstacles do not exist. We have strengthened the country's economy quite substantially, but no one could manage in 4 or 5 years to buttress the economy sufficiently to withstand the loss of tens of billions of kroner in oil revenue without its having very tangible consequences."

Willoch pointed out that the foreign debt has been reduced considerably: "But after the dramatic drop in oil revenue, it may rise again so quickly that in a few years we will lose the capacity to pay our bills--unless we start in time to live within our reduced means." The prime minister warned:

Must Apply Brakes

"The oil price drop has opened up a precipice before us. That is why we must apply the brakes. Now the opposition also understands that the brakes must be used more, and it pretends it has felt that way all along. But why has it then kept that feeling a secret for so long? And as we apply the brakes, why is the Labor Party still constantly trying to sneak its foot onto the gas pedal so that we fail to negotiate the bend in the road and fall into the precipice?"

Tax Cuts

"Taxes have been reduced in such a way that our present tax structure is perhaps the most conducive in Europe to the growth of industrial and commercial operations," pointed out Willoch, who vehemently rejected claims that the government's policy has created authentic social disparities among wage earners.

"This type of propaganda makes it necessary to establish that the reduction of the graduated income tax which we have managed to implement so far is still far from what we ought to do if we were to follow up on earlier statements from the Labor Party. 'The high graduated tax has become a cancerous growth,' said Knut Frydenlund in 1984. Does the Labor Party believe we should diagnose a cancerous growth and then not do anything about it?" asked Willoch.

Joie de Vivre

"Freedom, tolerance, joie de vivre, and self-reliance are onward-marching values," maintained Prime Minister Willoch. "We conservatives have often emphasized that the human being is our most important resource. One of the significant things we've achieved is a change of attitude in the direction of greater belief in the value of doing things oneself. We have come far in our efforts to make people feel secure and positive about themselves, about their own potential, about their ability to solve problems and meet challenges on their own. That is why more and more people look at needless bureaucracy and regulations as obstacles to their own development--and less frequently as protection.

Freer, More Open

"Our work for a more open society is a goal-oriented campaign for more freedom in domain after domain where the Labor Party has let regard for the individual fall to the wayside," stressed Willoch, who went on to point out, among other things:

"Especially relevant today is the Labor Party's battle against independent initiative as a supplement to government measures in public health care. There is complete agreement that the public health service must become increasingly better and remain the dominant part of the whole. But that is no justification for the Labor Party's demand that we halt the influx of new ideas and methods which can arise from a certain competitiveness between government efforts and private individual efforts."

At the same time, the prime minister challenged the assertion that private measures drain considerable funds from the National Insurance scheme. He stated that the National Insurance's reimbursements to private practitioners, i.e., physicians with no connection to the government, made up 0.36 percent of public outlays to the health service.

Obvious Task

"Public health-care and social-welfare services have had highest priority as long as the Conservative Party has occupied a position in the government,"

asserted Willoch. "Funds have increased at a rapid rate, and we have instituted reforms which will be significant far into the future. For us it is an obvious joint task to look after and help those who are sick or who for one reason or another cannot manage by themselves.

Meaningful Old Age

"The number of nursing-home accommodations has increased significantly in recent years, after a period of decline which stemmed from inadequate planning during the Labor Party's term. And it has been an essential all-out effort. But now the time has come to concentrate more of the effort on open care and to make conditions favorable for increased freedom of choice and for a more meaningful old age. We will therefore continue the expansion of domestic-help and home-nursing services, and we will provide incentives for more variety in the housing supply.

Kindergarten Openings

"We have concentrated on improving economic conditions for families with small children. What has been done is far from sufficient, but we are on the right path," emphasized Prime Minister Willoch. He observed, among other things, that entitlement to a pension and the right to reduced working hours for parents with small children make possible a more equitable division of housework and childcare between man and woman. The arrangement must become better known and further expanded.

"We have provided thousands of new openings in kindergartens, but many more are still needed. We affirm that it will be our goal to provide a place for all children whose parents want one, even though we recognize that there are limits to how quickly we can go forward," stressed Willoch.

Presthus Discusses Party Program

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 3

[Article by Morten Malmo: "Conservative Party's New Chairman Offers Catchword: Concentrate on Quality!"; first paragraph is boldfaced lead-in in original]

[Text] "Health-care and social-welfare policy will be given the highest priority. We will concentrate on quality in health care, education, and research." Thus reads the program statement from the Conservative Party's new chairman, Rolf Presthus, who was elected at the national congress in Oslo yesterday with standing, sustained applause. Presthus also fired this warning shot at the Labor Party: "The Conservative Party is ready. I am ready. Ready to encounter our main opponent, the Labor Party. Had that party's policies been implemented, Norway would now be in an almost hopeless mess."

Conservative Party representatives meet their new chairman with confidence and high hopes. Presthus was greeted with standing applause several times during the conclusion of the national party congress. "Rolf, there is no one I would rather give this gavel to than you," said outgoing chairman Erling Norvik when the change of chairmen took place. "I inherit not only a good party from you but also the applause," responded Presthus.

To All Counties

Next Friday Rolf Presthus will also replace Anders C. Sjaastad as defense minister, while Arne Skauge takes over Presthus's position as head of the Finance Ministry. Presthus began his work as Conservative Party chairman right after he was elected. Journalists stood in line to get interviews, the national-congress speech had to be written, and preparations had to be made for a press conference. Presthus stated at the press conference that he would visit all the county branches of the Conservative Party in the course of the year. Today he travels to see the Nordland Conservatives in Bodo, where he will stay until tomorrow. "I hope to get home by tomorrow evening to celebrate my wife Kari's birthday, but we might have to postpone the celebration until Saturday," says Presthus.

Mobilization

This morning Presthus will set to work for the first time as chairman in the Conservative Party offices at 20 Stortingsgaten, and he also has to participate in a government conference before his plane leaves for Bodo.

"My task now is to release and mobilize the great forces which exist in the Conservative Party. Much of our policy has been implemented since 1981. Since that time the Conservative Party has been Norway's leading party, but it has also borne great burdens. Now the time has come to mobilize the members to formulate a policy forward to the year 2000. This is a job for the party organization, not the parliamentary group or the Conservative group in the government. Here the party must be the center of political power."

In his speech and at the press conference after the national congress, Presthus discussed his double role as Conservative Party chairman and government member. "I will listen with two ears but speak with one tongue, and that will be the Conservative Party's," he said.

Concentration on Quality

Presthus strongly emphasized that the Conservative Party can get the maximum number of its policies implemented only by participating in government collaboration. He underscored that the concentration must be on quality if Norway is going to solve its problems better with fewer resources. This applies to the educational sector, public health service, and modernization of the regional development policy. Moreover, such a focus on quality must include improvement of the public sector, social-welfare services must be upgraded for those who need them, and public resources in general must be put to better use. He pointed out that this emphasis on quality also means an increased concentration on research and development, because they are essential for greater growth.

Thanks to Norvik

The new chairman also cordially thanked his predecessor, Erling Norvik, who now heads for Ostland and the post of regional administrator there. "The party has good reason to thank you. It was you and no one else who changed the Conservative Party from a 17-percent to a 30-percent party," said Presthus.

Continuity, Consensus Characterize Congress

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 3

[Commentary by Bjorn Talen: "New Conservative Party Profile in Both Politics and Crew: More Heart Than Wallet"]

[Text] The Conservative Party's national congress was not an exciting show this year. But an interesting face-lift took place behind the uncontroversial staidness. Less emphasis than before was placed on tax relief and demands for material prosperity, while attention was focused on regional development policy, equality of status, kindergartens, social-welfare services, and community spirit. This year's national congress concentrated more on the heart than the wallet. At the same time, there occurred a crew change which fits in well with the new profile.

Continuity was preserved by undisputed leader Kare Willoch, the jovial Rolf Presthus, and the genial and inspiring Jan P. Syse. But behind this powerful triumvirate--it occupies the key posts of prime minister, party chairman, and parliamentary leader--there emerge relatively new faces which fill out the picture of the Conservative Party as a popular, broad-based party. Most national congresses seem to create their own stars, and this time it was Erlend Rian, Astrid Noklebye Heiberg, and Anders Talleraas who shined, in addition to the highly promising Syse, Jr.

Erlend Rian is first and foremost a response to the outlying regions' demand for a better geographic balance in the party's leadership. But the reception he received as new second vice-chairman indicates that he may become something more than a regional-policy alibi for the rest of the chairman collegium from Akershus. Rian is 44 years old, born in Faberg, Oppland, and has a bachelor's degree. He has been county secretary of the Troms Conservatives and was editor of the Tromso newspaper before he became mayor in 1980. He was reelected in 1983 despite the fact that in the meantime the Tromso city council had acquired a socialist majority. That should say something about his breadth and popularity. In purely political terms, he belongs to that segment of the party which leans most toward the center.

A newly elected member of the working committee is Anders Talleraas, who also recently assumed the important post of chairman of the Parliament's finance committee. He has been a fairly anonymous politician up until now, but people who have worked with him were not surprised when he provided a leisurely and humorous introduction to the debate on regional development policy at the national congress. Talleraas, 40, represents an exciting mix for the Conservative Party: economic life, Nynorsk, abstinence from alcohol.

The new minister of consumer affairs and administration, Astrid Noklebye Heiberg, 50, who as leader of the Conservative women is also on the working committee, does not represent these things. On the first day of the national congress, she set wage agreements and money demands to one side and spoke warmly about human values. The substance of what she said was not particularly revolutionary, but she did it in a way which deeply affected the delegates. The professor of psychiatry continues to be marked by a lack of political experience and clout, but

even now there are many who see her as the Conservative Party's first female leader when Rolf Presthus retires.

Justice Minister Wenche Frogn Sellaeg, 48, was reelected to the working committee; she also adds breadth to the leadership. Despite the fact that she was born in Oslo, she is regarded as a district representative of Nord-Trondelag and as a Christian-conservative counterbalance to the markedly urbane liberalism which Kaci Kullmann Five and Arne Skauge, for example, are exponents of.

Ordeal by Fire

Arne Skauge resigned as second vice-chairman at this national congress, but the 38-year-old man from Bergen will not on that account occupy a less important spot in the picture. As finance minister during the upcoming rough times, he will be severely tested. If he survives the ordeal by fire without too many burns, the path will lie open for him. Strongly charismatic he probably isn't, but his sociableness and outstanding ability as political craftsman will stand him in good stead. Moreover, he will probably get Oystein Josefsen from the prime minister's office as his undersecretary, while Morten Steenstrup will apparently leave his post of undersecretary in the Finance Ministry to take over Skauge's job as Willoch's information officer.

All selections at the national congress were unanimous, and in addition to the working committee the following were chosen as members of the party's central board: Turid Wickstrand Iversen (Buskerud), Lars Lefdal (Sogn og Fjordane), Kari Vik Mariussen (Nordland), Kristian Sundtoft (Aust-Agder), Hans Svelland (Oslo), and Kari Thu (Rogaland).

Conservative Newspaper Assesses Congress

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 2

[Editorial: "Pleasant National Congress for Conservative Party"]

[Text] Erling Norvik was certainly right when he said good-bye as outgoing chairman of the Conservative Party: it had been a "good and pleasant national congress, well-organized and well-executed." And we can safely add that it was a national congress marked by harmony and solidarity. There was not even the slightest hint of discord, dissatisfaction, or struggle here--indeed, not even the mumbling in the corners which one almost always encounters behind the scenes at national political congresses. In a sense, the Conservative Party gathering in Oslo must be characterized as quite unique. Typical of the cozy and convivial mood is the fact that the election committee's recommendation was approved unanimously and by acclamation--from top to bottom.

Hardly ever before in its history has the Conservative Party been more united. This unity will come in handy when the world of everyday politics reappears after all the laudatory speeches at the national congress. For everyone knows that the tasks and the challenges have never been greater for a Conservative Party in a government position.

Nevertheless, something essential was missing. Precisely because the Conservative Party is both a responsible and a conscientious party to a marked degree, there were many who expected the Conservative national congress to show how to solve the problems which Norwegian society is now grappling with. The dramatic drop in oil revenue and the ongoing impairment of our capacity to compete are just watchwords in this context. Even though it would have been asking too much for the Conservative Party to give a detailed and exhaustive response to the challenges of today and tomorrow, one could presumably have anticipated a stronger focus on ends and means, on guidelines for the future. Nothing of the kind occurred, however.

Each of the party kingpins--prime minister, party chairman, parliamentary leader--correctly analyzed the situation the fatherland finds itself in and mercilessly unmasked the almost uninhibited opportunism of the Labor Party. But the anticipated elucidation of the Conservative Party's own strategy was absent on this occasion.

In an era of inescapable economic belt-tightening, the most significant message from the Conservative Party's national congress is that problems in health care and social welfare will receive the highest priority. There is no talk about budget cuts here. Efforts will be redoubled, particularly in the area of care for the elderly. We also noted with satisfaction the thoughts of Leif Arne Heloe, minister of health and social affairs, on more efficient use of funds in the health-care and social-welfare sector. The new party chairman, Rolf Presthus, nicely followed up on this in his inaugural address when he declared that the public health service will be made systematically more efficient so that "people can get the health care they deserve."

For Presthus the goal is clear. The present assignment is to steer Norway safely through the rough weather which the dropoff in oil revenue has brought on. At the same time, the Conservative Party is faced with the great and challenging task of mapping out a course for the country in the 1990s. In his first speech as party chairman, Presthus formulated a series of suggestions for how we as a society can improve ourselves by aiming for higher quality both personally and professionally. He can count on broad support for these endeavors.

We wish Rolf Presthus the best of luck and congratulate the Conservative Party on its choice for new chairman. He is qualified in every way to make the party a trendsetter in Norwegian politics. With Presthus as party leader, the Conservatives are assured a safe course.

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LABOR ORGAN ASSESSES 'UNINTERESTING' CONSERVATIVE CONGRESS

Oslo ARBEIDERBLADET in Norwegian 22 Apr 86 p 4

[Editorial: "Barely Political"]

[Text] The comments following the Conservative Party's national congress were apparently rather unanimous: It was a pleasant congress, but politically it was rather uninteresting. Even the main organ of the Conservative Party, AFTENPOSTEN, was dissatisfied. The congress gave no signals about what political course the Conservative Party would follow to bring the country out of the problems which the Willoch government has largely created, and which are now being blamed on the decline in oil income.

Apart from the election of Rolf Presthus as chairman, something which was decided a long time in advance, we can not see that the Conservative Party congress approved a single resolution of political significance in the three days that the delegates were assembled in the Community Hall in Oslo. "Norway first in freedom and security." That was the main message from the congress. It would be difficult to create a more empty phrase. If one could be, it would be the Conservative slogan at the beginning of last year's election campaign, "We are happy!"

Conservative politicians have a wonderful elasticity. They always speak warmly about giving priority to those parts of politics that they have actually weakened the most in their own time in government. Therefore during the congress we heard warm talk about giving priority to health and social policies, at the same time as everybody knows that it is in these areas that the Conservatives have failed the most. In practice it has been proved that the Conservatives have given priority exclusively to private solutions at the expense of public assistance within the health and social sector. Unfortunately there is no reason to believe that the Conservative congress foreshadowed any new policies in this area.

The same can be said about the emphasis that the Conservative leadership now places on research and development. We are obviously in agreement that there is a need for giving priority to these areas. In practice, however, it has been seen that the Conservative Party is an obstacle here also. After five years with the Willoch government it must be said, as did one of the participants in the congress, that the investment in the research area,

measured in terms of the GNP, is less today than it was in 1975. In other words the clock has been turned far back in an area in which the Conservative leaders speak warmly about giving priority. There is a long distance between life and teaching. And it does not bode well when the new party chairman, Rolf Presthus, speaks of the desire to raise the "quality" of the priority areas. We have the impression that he means that higher quality does not necessarily mean a corresponding growth in the budget.

In one area the congress expressed a clear desire. That was for a more evident district policy. Conservative Party representatives have noted that the party is missing out in the districts, something that the last election also pointed up. Here the Conservative Party would be moving into the Center Party's sphere of Norwegian politics. It would not surprise us if in the future we see sharp confrontations between the two government parties. The issue will be the establishment law, which the Conservatives hate like the plague, although it is the most effective instrument we have in district politics.

In one area the Conservative Party congress did not disappoint, and that was in scolding the Labor Party. There they had a policy to follow. It would have been better if the Conservative Party had clearly stated what their policy is.

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CSO:3639/106

INTERPLAY BETWEEN PRD, PSD PARTIES, LEADERS

Dilemma in PRD's Future Position

Lisbon EXPRESSO in Portuguese 5 Apr 86 pp 23-25 R

[Article by Teresa de Sousa]

[Text] Is there or is there not a more or less tacit agreement between the PSD and the PRD that is secretly governing the conduct and the relationship between the two parties?

Is or is not an incidental agreement, that may be only parliamentary, being forged between the two parties in order to guarantee Cavaco Silva's minority government smooth sailing at least until 1987 when, according to some social democrats, one could again face the possibility of legislative elections that would make it possible to translate into votes the fruits of an administration finally in a time of the "fat kine."?

These questions, which today are in the order of the day find their *raison d'être* in the almost daily conduct of the two parties in question and their root in the evolution of Portuguese political life practically since the breakup of the PS-PSD coalition and the 6 October 1985 legislative elections.

From the good understanding "at first sight" between the then still President Eanes and the new social-democratic leader, Cavaco Silva, to the actual statements of Herminio Martinho on the night when the fledgling PRD found itself at grips with the unexpected 18 percent of the Portuguese electorate, talking about the possibility of the viability of a PSD government "on the basis of a parliamentary agreement, for example," the PRD forces have shown themselves to be more or less open to a special understanding with the current prime minister in the name of "national interest" and of a political pragmatism which they describe somewhat euphemistically as "a way of being different."

The presidential elections, described today by the PRD forces as their "worst hour," were naturally a temporary hiatus in that convergence between the PSD and PRD united only in the defeat suffered by their respective candidates.

Today, the budget debate waged in the Assembly of the Republic is one more reef in the way of that apparent vocation for union revealed by the two

parties, a debate destined to show above all that not everything is unanimous among the PRD forces, but also that, for both one and the other party, the moment for definition of longer-term strategies is not yet fully ripe.

The next PRD convention, very likely scheduled for June and where General Ramalho Eanes' real intentions will be defined, and the results of the next socialist congress today appear to be the two central pieces of the puzzle that Cavacoist and Eanist strategists will still need in order to define lines of political action that may prove to be convergent.

Precisely because both parties lack that important information, a relative prudence and, above all, an accentuated concern about secrecy are being maintained by both sides.

PRD: Pragmatism and Ambiguity

"We do not have to define alliances; we only have to show that we are a special mediator of Portuguese politics," a PRD leader told us, pointing out that because it seeks to be "a different party," the PRD supports dialogue "with all other parties, from the CDS to the PCP," including, of course, the government party...

In fact, it seems that in this relative ambiguity of a pragmatic party without a preference for alliances, the PRD has found the ideal formula to attract attention to itself. Seating itself, as it insistently says, in the "center of Portuguese political life," the PRD makes the weight of the 45 deputies it obtained in the 6 October legislative elections count and seeks to overcome and dispel the memory of its subsequent election reverses in the local government and presidential elections.

It is an ambiguity that can make it both the indispensable support of the PSD minority government and, even though only in theory, the necessary and sufficient element to form an alternative of power with the PS that would make recourse to new elections unnecessary.

It is essentially in the name of pragmatism that the leaders of the PRD justify their frequent meetings with ministers of the Cavaco Silva government, the mutual consultations on such important matters as the state budget, currently being debated, the future proposals for the revision of labor legislation, or the farm "package" (including agrarian reform), that Alvaro Barreto is preparing to present in the Assembly of the Republic. At the same time, they guarantee that they are "immune" to other proposals of a more "participative" nature that are regularly addressed to them by the executive and which involve, for example, the appointment of personnel for the management of public enterprises.

In any case, the PRD does not hesitate to assume the role of special interlocutor of Cavaco Silva--the "loyal" opposition, in the view of the PSD, in glaring contrast to the Socialist Party, systematically lumped with the PCP in reference to a possible threat of the reconstitution of a "popular front," from which the government party is always careful to exclude the PRD.

Who Is Playing Whose Game?

That apparent strength as a "mediator" with which the PRD seeks to emerge on the political scene, however, may cover a relative weakness and relate to a phase of strategic transition that will only end when Eanes assumes the presidency of the party that was born in his image and in his shadow.

At some of its members point out, the PRD today is only (or essentially) its Parliamentary Group plus Gen Eanes. It is a party without a national organizational structure and without a solidly established central apparatus. It is recalled that, from the formative convention of Tomar until the presidential elections, it based itself either on the machinery and influence of the Presidency of the Republic itself, on the embryonic Pintasilgo organization or, finally, on the PCP apparatus, when it sought to support the candidacy of Salgado Zenha.

The political ambiguity of the parliamentary practice of the PRD forces, therefore, could be more the result of simple circumstances than of a defined strategy, properly speaking, or of "a political conduct different from that of the other parties," as its leaders claim.

Moreover, the events stemming from the parliamentary debate on the state budget may be the best example of that.

When the PRD emerges at the side of socialists and communists in taking a common position, that fact is perhaps due much more to the individual action of important deputies (independents) such as Silva Lopes or Magalhaes Mota than the result of a policy studied and defined by a political party leadership. A leadership that clearly prefers not to jeopardize its good relationship with Cavaco will not consider itself to have sufficient authority (because Eanes has not yet arrived...) to prevent the "indiscipline" of some of the main personalities of that bloc.

From a Swing Party...

Basically, the question that seems not yet to have been clarified (and which, moreover, does not elicit identical responses from the various leaders of the party) is what the PRD will be in the future, after having been the "hope" of the Communist Party and being today the "delight" of Cavaco Silva.

Should the PRD assume the role of swing party of the Portuguese political spectrum, accepting its position as a small party that determines the alternation between a large liberal party and a large socialist party? Or, on the contrary, as some of its leaders advocate, should it join a political bloc on a term basis, preferably with the Socialist Party, provided that the latter does not aspire after (or achieve?) dominance?

This political ambiguity, furthermore, relates to a phase of relative lack of internal definition that will persist until next June's convention and will only end with the handing over of leadership to Ramalho Eanes. Because,

paraphrasing a PRD deputy, "a situation in which Eanes sends messages is very different from another in which he discusses directly with us..."

In short, what does Eanes want of the PPD, or what does the PRD want of Eanes? That is what needs to be resolved internally so that what will be the future role and even the political terrain of this party--in which it is reiterated with some indifference that "Portuguese politics does not need great ideological definitions..."--will be much more clearly evident.

...To Another Central Bloc

For the time being, with reference to Eanes' political conduct, the aforementioned (reciprocated) "predilection" of the former president for the PSD leader also evokes the probability of another course for the PRD--which could be the attempt to revive the Central Bloc (always so dear to Eanes as a theoretical possibility), with the PRD in place of the socialists.

In this case, the possibility of the PRD as a swing party in a political system progressively tending toward a two-party system would be set against the strategy of a large reformist central political blow in which Eanes could have the role of complement to Cavaco Silva.

PSD (Also) Waiting

But can this be what the PSD will ever want?

That is the other unknown that remains in this apparent preferential understanding between the social-democrats and the PRD forces. An unknown that, beyond the various expressions of appreciation voiced by the government and by the PSD for the "good parliamentary conduct" of the PRD forces, lies in the matter of knowing what political strategy the next PSD Congress scheduled for the end of May will decide on this matter.

And here, the social-democrats are equally prudent.

The near future of the Socialist Party appears to be the decisive element that they (social-democrats) lack to define a strategy of parliamentary alliances or understandings that a minority party situation necessarily demands, when they have at their right side a CDS that Adriano Moreira should continue to control and the number of deputies of which is not enough to represent a majority.

In any case, the position of the PSD today is undoubtedly much more comfortable than that of any of the other parties with parliamentary seats, not only because it has a defined leadership, but also because the degree of popularity and the image of effectiveness achieved by Cavaco Silva enable it to face with relative calm each and every "offensive" of the parliamentary opposition certainly much more fearful of facing new elections than the government party itself.

The 'Popular Front' Bogey

The only concern revealed thus far in the parliamentary action of the social-democrats seems to be to try to impart a radical image to the PS, accusing it systematically and on any pretext of embarking upon a "popular front" strategy with the PCP, shrewdly taking advantage of the stage of relative "self-management" in which the Socialist Party finds itself, and flaunting before it the "pragmatic" and "responsible" conduct of the PRD.

Is this strategy merely intended to dispel the specter of a PS-PRD alternative to the Cavaco Silva government, increasing the prime minister's maneuvering room in relation to parliament or, on the contrary, does it involve longer-term objectives?

That is another question that only the successive proceedings of the PSD, PRD, and Socialist Party congresses by the end of June will be able to answer. And while it is true that the government needs the PRD to gain the approval of measures such as the liberalization of labor laws, the granting of TV to the church, or the "farm package," the PRD forces will be all the more dependent on the government since their "responsible opposition" and their fear of new elections places them in the uncomfortable position of always having to be the ones to guarantee the viability of Cavaco's proposals...

The position of the PS can undoubtedly become more comfortable because it is not only rejected the present government's program in parliament but, for some time at least, it can enjoy the privilege of playing the role of the "heavy" to the PSD; and all the more comfortable still since a possible refurbishing of the PS's image at its forthcoming congress would leave the two parties that are having a "honeymoon" today relatively worried.

Scenarios for Cavaco Silva, Eanes

Lisbon SEMANARIO in Portuguese 5 Apr 86 pp 4-5

[Text] 1. Cavaco More Dependent on Eanes and the PRD

The scenarios of the interrelationship between the PSD and the PRD are gaining a new perspective with the probable outcome of the CDS Congress.

Until now, the prime minister and the PSD had relative maneuvering room to the right with the CDS, and to the left with the PRD.

A CDS weakened by the victory of one faction over another, or others, results in an increase in the relative weight of the PRD and its leader of always, Gen Eanes.

If, in addition to that, the winner is Dr Adriano Moreira, as appears more and more likely, then Dr Cavaco Silva, whose liking for Dr Morais Leitao is well known, will lose a special ally.

For the PRD and for Gen Eanes, this epilogue to the CDS Congress is very enticing, because it puts the government and the PSD even more in his hands than they have been in recent days.

So the first and most obvious scenario in the PSD-PRD and Cavaco Silva-Ramalho Eanes connections in the coming months is the urgent need for the former to tighten their ties with the latter.

Obviously, the PRD and Gen Ramalho Eanes also gain from retention of the government and especially from the nondissolution of parliament. An off-schedule legislative election, with a PS in the process of change, could cost the PRD forces a tremendous failure.

But let us not be confused: at this time and until proof to the contrary, the government and the PSD need the PRD more than it needs them.

And at least for now, Gen Eanes can serve as the friendly fireman who helps put out the fires that are threatening Dr Cavaco Silva and his executive in parliament.

2. But Eanes Plays Hard-To-Get and Delays the Political 'Timing'

To "secure" the PRD, Gen Eanes has had to intervene promptly, as was seen last week, which is not always easy inasmuch as he remains outside the party waiting to assume its nominal leadership.

Being a leader at a distance and being a leader on the spot is not exactly the same thing, especially when the decisions pertain to the daily activity of the Parliamentary Group.

Consequently, it would be preferable for Dr Cavaco Silva if Gen Ramalho Eanes were immediately to assume the position of president of the PRD instead of continuing to be present-absent. Perhaps the scares would be less frequent and less intense.

However, Gen Ramalho Eanes does not go along with that speed-up of the political timing. On the contrary, he seems bent on delaying his much-talked about entry into the PRD from June to July.

Eanes knows that, in the short term, he is not going to lose his real and powerful influence over Dr Cavaco Silva's government and he wants to wait to see what will be the outcome of the PS Congress, which will not be held until June.

3. Cavaco—Yes, for Now, Until He Sees if Constancio Wins

The scenario for the Eanes-Cavaco rapprochement is going to dominate the next quarter of national political life, until it is learned whether it is Dr Vitor Constancio or Dr Jaime Gama who wins in the PS.

As of July, Gen Eanes can already choose from among three different scenarios:

Scenario 1--Advance to the leadership of the PRD, maintaining the tacit pact (or even making it explicit) with Dr Cavaco Silva and the PSD;

Scenario 2--Advance to the presidency of the PRD but changing policy and favoring an understanding with the PS and an opening toward a government solution that equates with succession to the PSD minority government;

Scenario 3--Remain outside the PRD for a little longer in order to permit further clarification of the political situation in parliament and in the government.

All of these three scenarios have pros and cons, and the first two reflect basic choices much different for the future of the PRD and especially of Gen Eanes himself.

The third is equivalent to not choosing, to letting another 6 months go by without taking the unnecessary risk of a misstep.

4. Scenario 1--To Opt for the Right and Want To Be Cavaco's Ally

The basic guideline of the first scenario for after July seems relatively obvious: lean the PRD toward the right to the detriment of its penetration in the left, staking on an "entente" with Dr Cavaco Silva and the PSD.

It would be Gen Eanes fighting Dr Soares, arm-in-arm with Dr Cavaco Silva.

Militating in favor of this scenario is the mutual political and personal attraction between Gen Eanes and Dr Cavaco Silva, the relations that are being established between the PRD and the PSD, and the equally perceptible bitterness felt by Gen Eanes and Dr Cavaco Silva toward Dr Mario Soares.

A victory by Dr Jaime Gama in the PS Congress can even redound in favor of it. Gen Ramalho Eanes' understanding would be more difficult with Dr Gama (a Soares stalwart), which can accelerate his option in favor of Dr Cavaco Silva. But many important arguments array themselves against Scenario 1; as many as those that favor preference for Scenario 2.

5. Scenario 2--To Opt for the Left and Want To Cast His Lot With Constancio

Scenario 2 returns to the opposite of Scenario 1: the progressive abandonment of the "entente" with Dr Cavaco Silva, and rapprochement with Dr Vitor Constancio, clearly opting for the left, with ideal maneuvering room for the PRD.

It would be Gen Eanes fighting Dr Soares, arm-in-arm with Dr Vitor Constancio, an even more consummate formula than the previous one.

What can lead the general to want this scenario?

Realism regarding the PRD's electoral base, which is 80 percent or even more from the left and not the right, and which tolerates tactical agreements with Dr Cavaco Silva but can move to the PS and the APU in the event of an excessively rightist swing by the party; the fact that the majority of the leading and parliamentary cadres are from the left; and the precariousness of the present minority government and the extreme difficulty of maintaining it indefinitely.

If Dr Vitor Constancio wins in the PS Congress, the temptation to adopt this scenario could rise in intensity.

The fact is that with Dr Gama at the head of the PS, a PRD-PS dialogue is more complex, and by "stretching" the life of Dr Cavaco Silva's government, Gen Eanes can gain time for the moment of the decisive test of the neo-Soares PS's capability.

With Dr Constancio in the leadership, dialogue is easier, and it can be fatal for the PRD to give a renovated PS too much space to the left by remaining in or reinforcing the "entente" with Dr Cavaco Silva.

6. It Will Not Be Easy To Evade the Choice

The third course, which would be once again to delay Gen Eanes' move to the PRD is convenient but is possibly not viable.

A party cannot live eternally waiting for Godot, who only appears when it suits him.

In short: from April to July, Gen Eanes will probably be a strong endorser of Dr Cavaco Silva and, short of moving mountains, will guarantee everything that suits the prime minister.

From July on, everything will also depend on the PS Congress and the choice that Gen Ramalho Eanes and the PRD want to make for 1987 and 1988: to be the left endorser of the right in power and, by guaranteeing it, end up casting their lot with the right; or to be the right [wing] of the left in the opposition, that may go on filling the political center without renouncing the 15 percent of the voters they drew from the PS and the APU.

Or, in other words, to fight against Dr Mario Soares and the political dominance of the PS for the right and in the right; or to do so in the left itself, in which the PS hopes progressively to broaden its electoral base after June.

Gen Eanes has 3 months in which to choose, with Dr Cavaco Silva semi-hanging on the choice; but only "semi," because Dr Cavaco Silva has the necessary and sufficient capability to understand when a politician can and must anticipate events...

8711/9435

CSO: 3542/94

BIOGRAPHIC DATA ON PRD'S 'STRONGMAN'

Lisbon TEMPO in Portuguese 18-24 Apr 86 p 7

[Text] Born to politics in actuality during a recent National Council of the PRD, Antonio Lencastre Bernardo made his debut last weekend in his position as secretary general of the PRD by opening the proceedings of a meeting promoted by his party's Lisbon Council Committee.

A career military man, Lencastre Bernardo has been mentioned for a long time as Ramalho Eanes' right arm in terms of organization. Thus, no one found it strange that immediately after the case of the false signatures during the December local government elections, Ramalho Eanes placed his old office chief in the PRD apparatus: the party was shattered by scandal, undermined by innumerable interests and, especially, enveloped in complete disorganization.

Eanes hesitated. There was even talk of the possibility of the natural leader of the PRD allowing the party that was born in his image to collapse...the former chief of state is an expert in finding the right people for the right places.

Eanes would end up recommending Lencastre to Martinho as secretary general of the PRD, a position that he began to exercise in practice in December. The formal assumption would not occur until the National Council of Aveiro, however, when the councilors approved by unanimity and acclamation a proposal by Herminio Martinho that named Bernardo as secretary general of the PRD. It should be mentioned that the position of secretary general is not provided in the PRD statutes so that, in principle, its creation could occur only after revision of the statutes. Thus, Lencastre is a unique secretary general: a priori, he does not have any political functions; all he has is an administrative role of organization of the country.

However that may be, the truth is that with his entry the PRD appears to have gained a new spirit. There is now interlinkage between the regional structures and the party's national organs, and the work is planned, unlike what occurred previously.

Eanes appears to be satisfied and his entry into the leadership of the PRD is an assumed fact. The PRD can now help him develop his political strategy and not degrade his image.

For the future, it is certain that the PRD is going to be totally led by Eanes and Lencastre Bernardo, a pair that has been working together for some years.

Born in Aguiar da Beira 45 years ago, Lencastre Bernardo has held various positions in the area of the Presidency of the Republic since 1976; security affairs adviser (1976); adviser for local and regional government (1979-1981 and 1983-1985). In 1982, he was interim office chief for General Eanes.

Married and with two children, Lieutenant-Colonel Lencastre Bernardo completed various civilian and military courses (history course in the School of Letters of the University of Lisbon, artillery course in the Military Academy, general staff course and action internship, both in the Institute for Advanced Military Studies). At the present time, he is studying for a master's degree in African studies at the Superior Institute of Social and Political Sciences.

Lencastre Bernardo was an instructor in the Artillery Drill School and in the Military Academy, aide-de-camp to the deputy chief of the Army General Staff. Between 1966 and 1968, he served a tour of duty in Mozambique, and between 1970 and 1972, in Angola. After 25 April 1974, he was an assistant to the commander of the PSP in Lisbon (1975-1976) and assistant director of the Judiciary Police (1977-1979).

The holder of various national and international decorations, Bernardo Lencastre very early distinguished himself by his qualities as a strategist. In the area of the Presidency of the Republic, his organizational ability earned him Ramalho Eanes' favor.

8711/9435
CSO: 3542/91

FOREIGN TRADE INSTITUTE SEEN UNDER PC INFLUENCE

Lisbon O DIABO in Portuguese 15 Apr 86 p 7

[Excerpts] The case of the Portuguese Foreign Trade Institute (ICEP) is again the subject of comment: the administration of that state agency is currently conducting a review of the financial management of the various delegations spread out around the world.

The main objective of this measure is to prevent new scandals similar to the one that occurred with the ICEP director in Paris, Dr Emidio Roque da Silveira Manteigas, who confessed to the diversion of thousands of contos from the delegation that he directed.

The successive reorganizations of the institute have not made it more effective. With the exception of Europe, there has been a sharp decline of Portuguese exports--strangely enough, to the countries where the institute has opened delegations... That is what is happening in Algeria (a drop of 1.5 million contos between 1984 and 1985), Mozambique (2.5 million contos); Egypt (2.5 million contos), and Saudi Arabia (half million contos).

The 'Red Admiral's' 'Vesper'

Another fact that deserves to be emphasized is the well-known influence which the PC exercises in the ICEP's key positions. As a matter of fact, many of the leadership positions in the various departments are in the hands of members and sympathizers of the PC. Such is the case of the chief of that party's cell in the institute, Piedade Valente, who is in charge of the Export Development Service; Margarida Cardoso, the director of the Markets Department; and Lourdes Carrola, placed in the office of support to the board of directors with access to the meetings.

It is that PC influence in the ICEP that "explains" the privileged position enjoyed by the "Vesper" Company, directed by Rosa Coutinho and Major Corvacho, in relations with the African market (especially with Angola).

It should be mentioned in that regard that, despite the fact that the ICEP did not participate in the Luanda International Fair, "Vesper" headed a group of companies that went to that fair.

Rosa Coutinho, the "Red Admiral," has already been the subject of press preportage that suspects him of being one of the intermediaries in the contracting of Portuguese mercenaries for the MPLA ranks.

Another issue that aroused controversy within the ICEP pertains to trade relations with Iraq and Iran. According to a source in that agency, that controversy was connected with the situation of special privilege that Iran has enjoyed with regard to the export of arms and military equipment manufactured in Portugal. That issue has even aroused a conflict between the Iraqi Embassy in Lisbon and the president of the National Defense Industries (INDEP), General Casimiro Proenca.

It is interesting to note in this regard that unlike what is happening with Iraq, Portuguese exports to Iran have increased significantly: 3.3 million to 11.2 million in the last 2 years.

Dr Carlos Juliao, appointed interim director of the ICEP in Paris, has been the "spearhead" in the dealings with Khomeini's country. With carte blanche to travel between Teheran and Lisbon and vice-versa, Dr Carlos Juliao is a close confidant of the vice-president of the institute, Pinto Guimaraes, who is responsible for promotion.

Pinto Guimaraes even headed a delegation of Portuguese businessmen that went to Iran last August--a trip that was announced in the press only after the delegation was already in that country.

8711/9435
CSO: 3542/91

SUB-GROUPS WITHIN RIGHTIST MOVEMENT REVIEWED

Lisbon O JORNAL in Portuguese 11 Apr 86 p 14

[Text] How many rightist groups are there in the Portuguese Right? Jaime Nogueira Pinto, one of their sharpest analysts, suggests five to us with a hint of sarcasm:

The Traditionalist Right--Catholic, with monarchical and Salazar sympathies, it regards the French Revolution as the root of all evil. Socially it is situated between the upper middle classes and the middle class, in traditional but financially weak families;

The Muscled Right--It is authoritarian, and favors immediate action and violent solutions. It cultivates nationalism and sympathy for strong-arm regimes and scorns communism and partisanship. It longs for a return to the Salazar era. It recruits from the middle and lower-middle classes and aspires to mobilize the people in the provinces;

The Conservative Right--It is liberal in economic matters, realistic in foreign policy and distrustful of romantic values. Culturally it favors the classical and socially its members are from the upper or upper-middle classes. Reagan's America is their paradise;

The Liberal Right--It is conciliatory, optimistic and open, and tends to exacerbate economic factors and parliamentary democracy doctrine. It rejects any solutions involving force or authoritarian solutions. It downplays historical and nationalist aspects, and is a believer in economic cosmopolitanism and Europeanism. Its members are the offspring of groups linked to the technocrats and Marcelist liberals. Culturally it follows the current fashion imported primarily from France;

The New Right--It attaches great importance to cultural power as the motor for political change. It tends to be nationalistic and to defend the primacy of ethics over economics. It prefers fantasy, science fiction, cartoon strips, and war games. It is very tolerant of different styles of dress. Its members come primarily from the new generations of university graduates from the middle and upper-middle classes.

9805/9435

CSO: 3542/89

POVERTY PROBLEM AS VIEWED FROM RIGHT, LEFT

Lisbon EXPRESSO in Portuguese 5 Apr 86 p 3

[Text] Recent statements by the most outstanding leaders of the Portuguese Right have been showing a particular concern for the poorer classes.

During Freitas do Amaral's campaign for the presidency of the Republic, he spoke various times about the issue of arrears in wages and the plight of the slums.

More recently, Adriano Moreira, in his campaign for the top position of the CDS, talked about his concern over the problems of the poor--in line with the Church's social doctrine.

This attitude by the Right has shocked the Left.

Aren't the leftist parties the ones who struggle to improve the lot of the poor and downtrodden?

Aren't the leftist parties the only ones who have a moral right to speak on behalf of the lower classes?

It would be naive to state the problem in these terms.

It is obvious that no party can help but address the problems of the poor, for the simple reason that if it were to concern itself uniquely with the rich, it could form a club but never a party. In a poor country such as Portugal, all the major parties, from the PCP to the CDS, will always gather the great majority of their votes from among the poor and middle-classes.

But if this is the situation, then how can we differentiate between the Left and the Right?

The distinction is easy to make.

The Right believes that it is not necessary to do away with the rich to improve the lot of the poor; the Left (or at least the traditional Left) believes on the contrary that in order to do away with poverty, first the rich must be eliminated.

As you can see, the problem is stated in terms of the rich and not in terms of the poor.

The one side speaks of what the rich need to do, and advances the idea that the government should support the rich and encourage them to invest, because in this way stronger and more prosperous firms will be established and more jobs will be created, allowing the poor to improve their lot.

The other side advocates the need to do away with the rich, saying that until the rich are eliminated, man will continue to exploit man and the poor will continue to become poorer.

It is evident that it is the Right's position that is the logical one in this philosophical discussion. In capitalist countries, where the rich have been favored, the standard of living of the majority of the population is substantially higher today than in Socialist countries where the rich have been eliminated.

The real problem is that neither the Right nor the Left speaks out clearly, and that is why we have this confusion.

The rightist parties are afraid to say openly that what is needed is support for the rich, because if they were to say this, they would risk losing a large number of votes.

The leftist parties, conversely, are afraid to say in clear terms that what is needed is to do away with the rich, since if they did that, they would lose funds.

This is why everyone is talking about the poor.

But, to repeat, what distinguishes the Right from the traditional Left is not their stands with regard to the poor, but rather their position with regard to the rich.

9805/9435

CSO: 3542/89

CRITICAL VIEW OF NATIONAL QUALITIES, DEFECTS

Lisbon EXPRESSO in Portuguese 5 Apr 86 p 8

[Excerpts] "Portugal is a paradise and a country without problems." This phrase recently appeared in bold type as a heading in a Lisbon newspaper which attributed it, without comment, to an important foreign ambassador in Portugal.

Despite all evidence, which would lead few Portuguese to think of paradise in those terms, the phrase is not surprising, since we are already so accustomed to meditating on the truths that foreigners discover about us.

Of course we all have an opinion about what we are and are not going to be. When a foreign observer gives an analysis of our elections, climate or economy, it is in the form of an unassailable assertion--quoted with the inevitable hype throughout the Portuguese press.

Condescending and Critical

When we come back from a trip to another country, we are the first to admit that, in the end, there is nothing like our controversial "paradise."

Nevertheless, we spend our lives grumbling about the chronic backwardness of the economy, the meager job opportunities, the disorganized state of everything, the small-mindedness of our leaders or the poor manners of our next-door neighbor. The truth is that among these national foibles, we all find one counterpoint or another which strikes our fancy a little.

We praise and criticize the qualities that are our defects and vice-versa in an ambivalence that could in and of itself be viewed as unhealthy or creative, fatalistic or resolute, uncharacteristic or genuine.

We are condescending and critical, patient and demented, as the situation requires. We cultivate an implacable sarcasm which marks the agenda with anecdotes spread rapidly by that foreign country. But this is not why we are less charitable or indulgent towards the professional who is not doing his job, or the artist who does not excel or the politician who is not useful.

We have beneath the surface lazy rebelliousness transmitted, they say, by intermarriage with the Arab invaders. But we nurture a healthy aversion toward the discipline and methodical ways of our new European "invaders" to whom we gave a timid yes quite recently.

We have a class of workers which is not hard-working. But we all pride ourselves on the fact that outside the country, our workers are the ones who work most and best.

We are horrified by the lack of cultural leadership which hinders our collective creativity and denigrates our national image. But it is difficult to find people in any metropolis in the world who are simultaneously as well-informed about American literature, Jack Lang's policy, the Japanese cinema, or night life in Madrid, as our dulled and inhibited intellectual elite, who are completely up-to-date on everything the admired international jet set is doing.

We bitterly envy our Spanish neighbors who, in a stroke of the pen (i.e., in two decades), have left us alone at the bottom of all European charts. But we melt into friendship when thousands of our "brothers" invade us during Holy Week with sacrilegiously welcome pesetas.

A Unique, Confused and Illusive Country

We have some remarkable periods of history behind us. But this is not why we regard with less humility and gratitude another country that might deign to put us on the map.

We are not economically part of Europe. We are not culturally part of the Third World. We are not even the Iberian Peninsula. What are we then?

Let's leave the reply to the foreigners and wait for them to define this confused, unique and illusive country, doomed to become another abstraction listed absent-mindedly in the huge world atlases.

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CSO: 3542/89

BRIEFS

POSSIBLE CHANGE OF CGTP-IN LEADERS--If there is a political "opening up" within INTER, as was first seen months ago, Jose Luis Judas and Kalidas Barreto may be elected CGTP-IN secretary-general and president, respectively, defeating the more orthodox and partisan management and operational approach which has been predominant in the labor federation. The CGTP-IN, which is commemorating its 16th anniversary, has been directed up to now by an executive secretariat which operates in a collegial fashion, is overwhelmingly dominated by the PCP, and is made up of a team coordinated by Armando Teixeira da Silva. However, according to union sources, the "growing need to open INTER up politically to prevent it from becoming isolated," and an attempt to "initiate a process of change," should lead to the creation of the posts of secretary-general and president, similar to what is found in other European labor federations. Thus, according to the same sources, Kalidas Barreto (independent, a former militant Catholic, ex-PS and ex-UEDS) and Jose Luis Judas (a PCP militant identified with the party's less orthodox and partisan ranks) would win out over Manuel Lopes (ind.) Alvaro Rana, Armando Teixeira da Silva, Jose Ernesto Cartaxo Pacheco Goncalves and Florival Lanca (all PCP militants). Scheduled for 29, 30 and 31 May, the Fifth CGTP-IN Congress will for the first time recognize the federation's rightist leanings. [Text] [Lisbon SEMANARIO in Portuguese 12 Apr 86 p 64] 9805/9435

CSO: 3542/89

PACIFIST LEADER ASSESSES REFERENDUM, ELECTIONS

Madrid EL PAIS in Spanish 6 Apr 86 p 16

[Interview with Rafael Grasa of the Pacifist Coordinating Board by Carles Pastor; date and place not specified; first two paragraphs are introduction]

[Text] Rafael Grasa, a 32-year old professor of philosophy at a Badalona secondary school, is one of the three spokesmen of the Pacifist Coordinating Board in Catalonia. With links to the Antinuclear Committee of Catalonia and to the magazine EN TIEMPO DE PAZ, this former member of the Unified Socialist Party of Catalonia (PSUC) also sits on the editorial board of MIENTRAS TANTO, a Marxist publication put out by the disciples and friends of the late Manuel Sacristan. His ideological and political leanings are thus clear. Within the Peace Movement, Grasa identifies with those who advocate what he calls "radical pacifism," that is to say, nonviolence.

Barcelona--His assessments of the results and consequences of the referendum are strictly personal, inasmuch as the Spanish Coordinating Board of Pacifist Organizations (CEOP) has postponed its official analysis of the vote until 19 and 20 April. The meeting held 4 days after the referendum could not concur on an analysis, and there had not been enough time to consult the members of the many different rank and file committees. A defeat or a moral victory. Acceptance of the referendum's outcome. The future of the peace movement. The following interview revolves around these three issues.

[Question] What is your assessment of the yes vote victory?

[Answer] My personal opinion, which I share with my comrades at MIENTRAS TANTO and TIEMPO DE PAZ and with the nonviolent school of thought, is that regardless of what may be said, we lost. There was no moral victory or anything of the sort. We had believed that victory was possible. In any event, we were prepared to lose by four or five points, no more. The 13 percent margin was a terrible surprise to us. It is a major blow, and we must not forget it. This does not mean that we underestimate the significance of the 40 percent no vote. On the contrary. The administration thought that it was going to lose and that it had to play hardball, which it did. The administration brought about the shift in opinion over the last few weeks,

because I think that the polls that had the no votes in the majority were accurate. But the fact is that we did not succeed in fostering total voter indiscipline, in undermining the party vote, which is what we were after.

We have to accept our loss, accept the result, but this does not mean concurring with it. It's like when a party runs on a platform and loses an election. The platform does not cease to be valid for the party and its followers, even though it of course abides by the decision at the ballot box. The peace movement must do likewise. The referendum is binding, but this does not mean that we cannot keep on demanding withdrawal from NATO. This is not undemocratic. The arguments that we set forth in the "counter decalogue" will still hold and will become clear. This implies that along with other European pacifists we will try to shatter the dynamic of the blocs and, why not?, force a new referendum in the future.

The Labor Vote

[Question] Why do you think the administration won the referendum?

[Answer] We know that owing to blackmail and fearmongering, the yes votes won a majority. We are not going to change our ideas; what we have to change is the vote of the majority. We have to bear in mind the conditions under which the administration posted its victory. Contrary to what the administration itself was saying, it made a plebiscite out of the referendum. It succeeded in confusing public opinion. The manipulation of TVE [Spanish Television] was brutal. Such manipulation has not been seen since the Franco era, at the 1966 referendum, when Fraga was minister of information and tourism. This was the decisive reason why people changed their minds so abruptly; Manuel Sacristan called it "assaulting people's minds." And this will have grave consequences for democracy in this country and shows that NATO is as violent and as corrupt outwardly as it is inwardly.

[Question] In any event, there is evidence that the working class areas voted yes.

[Answer] There are structural reasons why the assaulting of minds worked. One is the country's low cultural level. The Education Ministry acknowledges that there are 15 million functional illiterates in Spain. This is the only explanation as to why it was so relatively easy for TVE to change people's minds. Any political group must bear this fact in mind and reach all segments of society. Another structural factor that explains the outcome is the lack of cultural values for leftwing resistance among the working class. When people do not have a class consciousness, they can even vote against their own class interests. This is what happened. It was very painful to see the industrial belts, where the proletariat lives, and the areas hard hit by reconversion vote overwhelmingly yes. They believed the argument that remaining in NATO would reduce unemployment, when the opposite is true: the higher the military spending, the lower the social spending. They voted this way because Felipe Gonzalez has a credible image. But before the transition these voters believed in other people too. This is the tragedy of the transition for the Communist parties.

These observations also have their consequences for the peace movement: we have not reached these segments of society. The unions that were actively involved in the no vote campaign were not able to reach these segments of society either.

[Question] What future does the Peace Coordinating Board have after the defeat and now that Spain will remain in NATO?

[Answer] I think that the future of the peace movement, which is larger than the CEOP fortunately, is hopeful, to the extent that it can raise underlying issues and stop being vague. In the months to come it ought to bring up various issues, such as in-depth cultural work, fostering education for peace, the problem of violence...

[Question] In the Basque Country?

[Answer] Yes, in the Basque Country. This is an issue on which there has been a great deal of deception, that will cause arguments and on which we might not reach an agreement but it will strengthen the movement's nonviolent side.

The future of the movement will depend on several factors, mainly its ability to get through to the segments that it has not reached (the labor movement essentially), to strengthen the bonds with what remains of the environmental movement and to bolster relations with Christian groups and, above all, with young people.

Young people between the ages of 13 and their early 20's are extraordinarily receptive to antiwar and pacifist values and support a different, an alternative way of practicing politics, as an exercise for all citizens and with participative assembly arrangements. We have to speak out against the degeneration of democracy in industrial societies, in which policies are constantly being put to plebiscites and politics has become, as Sacristan said, "the art of leading peoples where they do not wish to go." Many young people who were not going to vote did vote in this referendum, and they voted no, because they felt that this was a specific choice in which they had a say, instead of just giving some party free rein.

The CEOP and the Ballot Box

[Question] The political parties and the public are waiting to see what role the peace movement might play in the forthcoming elections. There are talks going on between the PCE and the other members of the Civic Platform.

[Answer] The CEOP clearly realizes that it is a social movement and cannot, as the Coordinating Board, go the electoral route. It is also clear, though, that if any group in any Spanish nationality is in a position to run in the elections on an alternative platform (not to rebuild a party in crisis, as some are endeavoring to do), then it might do so. Getting pacifists on party candidate lists as independents is not an alternative either. The real aim is by 1990 or whenever to shatter the current party system, which is too narrow.

[Question] Aren't your fears of being used as a tool excessive? Isn't it right to support a party that agrees with most pacifist stands?

[Answer] There are various fears within the CEOP. The primary one, and it is legitimate, is the fear of destroying a movement that enjoys credibility and strength because it has taken a different approach. If it changes, it could lose credibility. Another fear: being used by a party that has no intention of pursuing a different policy and that instead seeks merely to use the peace movement to rebuild itself. A leftist alternative here depends on more than just a party putting together a platform. The leaders of these parties have no credibility. The clearest case is Santiago Carrillo.

[Question] Isn't this fear of being made a tool of the parties exaggerated?

[Answer] We're suspicious. The campaign against NATO was too short-lived an issue for them [the parties]. I'm happy that the PCE is clear on the issue of the bases, but it wasn't before. It has engaged in self-criticism, but very timidly.

The danger for the peace movement lies in being used directly or indirectly to rebuild political parties. The movement must maintain its autonomy vis-a-vis the parties. We say yes to having party activists in the movement, but we say no to their trying to impose party policies. We would lose credibility, pluralism and our different approach, which is what has set the movement apart.

The great virtue of the peace movement is that it has gotten through to many people who were disillusioned with politics. It has brought out onto the streets many people whom no one had rallied for years. And for the first time it has enabled segments that were known as "dropouts" to become involved in politics.

[Question] You describe yourself as a nonviolent pacifist. But is there such thing as a pacifist who defends legitimate violence or violence depending where it comes from?

[Answer] You cannot be a pacifist who defends life and engage in violence. I estimate that a very high percentage of the Coordinating Board shares my view, but we must strengthen a radical pacifist position of nonviolence. We must see to it that elements of the pacifist culture, above and beyond NATO and the bases, are accepted by all. For example, we advocates of nonviolence attach great importance to civil disobedience. People must understand that a government is in power, among other reasons, because it has the consent of the governed. Disobedience to government is legitimate, even if the government is democratic.

8743

CSO: 3548/43

NO UNIFICATION OF COMMUNIST PARTIES EXPECTED

PCE 'Strategy' Criticized

Barcelona LA VANGUARDIA in Spanish 25 Mar 86 p 13

[Article by Jose Maria Brunet; first paragraph is introduction]

[Text] The various communist groups have resumed their dialogue with an eye towards the upcoming elections. Unity appears to be a distant goal, however. The groups run by Carrillo and Ignacio Gallego yesterday criticized the PCE's strategy of a broad leftist alternative.

Madrid--The imminence of the elections and the momentum from the referendum campaign have prompted the resumption of the dialogue among the various communist groups, whose unity, however, remains a distant goal. The PCE and Enrique Lister's Spanish Communist Workers Party (PCOE) yesterday took a step towards communist unification when Lister's group joined the PCE. Concurrently, however, the Board for the Unity of Communists, which is headed by Santiago Carrillo, and Ignacio Gallego's Communist Party of the Peoples of Spain (PCPE) yesterday spoke out against any election ticket that runs as a "platform in which the agenda and identity of communists are watered down."

Brought to a Close

At the headquarters of the PCE, seated beside its secretary general, Santiago Carrillo, Enrique Lister brought a 15-year voyage to a close. The PCOE has come back to where it started, after having seen that "by itself, our option had no future." Given its tone, the act seemed more symbolic than likely to prompt an immediate political chain reaction. Lister said that he was happy to have "a secretary general who is so young and in such good shape" like Iglesias, to whom he offered all the support that "an old carcass" like him could provide, adding that he had decided to return "along with some of the people who were my comrades in arms 50 years ago."

Lister said that he and Gerardo Iglesias "have not talked about jobs or positions or anything like that. I'm going to be 80 soon, so those matters do not concern me." In the same emotional tone he asserted that one of the things that had given him "the most joy" had been "to embrace Comrade Dolores again." He went on to say in a powerful, deliberate voice, stressing almost every syllable: "I hadn't seen her since 25 February 1970, when I visited her at her house in Moscow. We had not spoken again since then." A few days

after the last field marshal who took part in the civil war retired, the ceremony featuring Lister yesterday was primarily of symbolic value, as he himself underscored when he explained why he returned to the PCE, stating that "we finally realized that we had no future along that path, we were not the party we dreamed of."

Carrillo's Response

The headquarters of the magazine AHORA, which the Carrillo group publishes, immediately responded to Lister's return to the PCE, describing it as a "sad move." The Board and Ignacio Gallego's group held another working meeting there yesterday. Josep Serradell, a member of the Gallego group, said that the PCOE had "disintegrated," not integrated into the PCE. According to Serradell, PCOE members have expressed an interest in joining one of their two groups, not Gerardo Iglesias' party. The differing assessments of the PCOE's final move illustrate the difficulties that persist in the dialogue among communists aimed at unity.

Gerardo Iglesias yesterday reaffirmed "the line approved at our 11th Congress, which called for a party in which all communists have a place. We are prepared to base our unity on diversity. Our current leadership is heterogeneous, in fact, but it is united, and this is how we are managing. Everybody can return to the PCE without renouncing their ideas; they will be received with all due honors--this is a figure of speech--and with all due respect." As for talks between the Carrillo and Gallego groups and the possibility of their leading to a merger, Iglesias underscored his view that the PCE lies at the end of efforts towards unity. "It doesn't matter to me whether they return to the PCE together or separately," he emphasized.

Adolfo Pinedo from the Board and the PCPE's Josep Serradell replied at the close of their meeting that "no plan for unity can be based on electioneering; it must be based on ideological principles." Serradell specified those principles as "Marxism and Leninism." Anything else, he asserted is "drivel, seasoned with campaign hype." In conclusion, he said that the elections in Andalusia are going to be "testing grounds for and an experiment in bringing the groups together."

PSUC Leader's Comments

Barcelona LA VANGUARDIA in Spanish 1 Apr 86 p 20

[Text] The secretary general of the Unified Socialist Party of Catalonia (PSUC), Antoni Gutierrez Diaz, feels that the unity of Catalan communists is predicated on their joining the PSUC. The communist leader ruled out an electoral alliance between his party and the PCC [Communist Party of Catalonia] because in his opinion such a pact would not further the unity of communists in Catalonia.

Antoni Gutierrez Diaz, the secretary general of the PSUC, told EUROPA PRESS that the unity of Catalan communists is predicated on all forces that claim to be communist joining or rejoining the PSUC.

The communist leader rejected the possibility of a pact with the PCC, which has been mentioned in recent days, inasmuch as in his opinion "any direct alliance with organizations that claim to represent communist unity would tend to consolidate divisions and prolong the confusion, instead of furthering unity around a single party."

In this connection, he described as "completely untrue" the reports that "we are engaged in electoral negotiations with other communist political groups. Such claims do not further the process of communist unity."

Joint Efforts

Antoni Gutierrez stressed that any move towards unification must be made through the PSUC. He made the point that reunification with the PCC and the other communist groups in Catalonia was spelled out last January at the PSUC national conference, "which recommended to all party organizations that they work for integration by promoting joint social mobilization efforts."

The PSUC leader acknowledged, however, that the new climate in the wake of the NATO referendum forces the party leadership to look for arrangements that might hasten this process, "with the understanding that eliminating confusion among communists is positive, though because of its history and current status, the only guarantee that this will happen is the PSUC."

Antoni Gutierrez reiterated that in any political strategy, both in Catalonia and in the rest of Spain "one must bear in mind that the NATO referendum has changed things. We have to accept that Spain will remain in the Atlantic Alliance, but this does not mean that the struggle for peace will disappear; rather, it will take on new forms."

Permanent Vigilance

The PSUC secretary general indicated that the new political climate means that "the millions of citizens who voted no on NATO must remain permanently vigilant, as the U.S. Sixth Fleet's recent attack on Libya highlights."

The Communist leader harshly criticized the victory of the yes vote in the referendum. His view is that Prime Minister Felipe Gonzalez "won the referendum and posted a victory, but he has paid a very high price: a loss of credibility, a shift to the Right and the dishonest use of the mass media."

According to Antoni Gutierrez, the Spanish and Catalan Right violated their own principles by not advocating a yes vote, "thus allowing Felipe Gonzalez alone to win the referendum."

Reversal of Trends

The referendum has also reversed several trends on the Left, according to Antoni Gutierrez. He indicated that before the plebiscite "the public and the mass media were talking about a crisis on the Left, whereas now there is talk of bringing together the forces of the Left that voted no."

"Also, previously there was talk of divisions among communists, whereas now, even though the information is jumbled, everyone is talking about the initiatives for communist unity," he emphasized.

Antoni Gutierrez underscored that in the wake of the referendum the two major parties in Catalonia, Convergence and Union and the Party of Catalan Socialists (PSC-PSOE), are "in bad positions." The stand taken by the ruling coalition in Catalonia, he contended, has damaged Jordi Pujol's credibility, "and I think that in the very near future the shortcomings of his performance in office will be more in evidence."

Convergence and Union, he noted, utilized "a deceitful tactic that enabled it to claim victory whether the yes or the no votes won or, as happened, when the no vote won in Catalonia and the yes vote in the rest of Spain. This clumsily self-interested approach by the ruling coalition in Catalonia has detracted from the credibility of the president of the Generalitat [autonomous government]."

In addition to losing the referendum in Catalonia, he went on to say, the PSC "has clumsily tried to hide the fact that 800,000 people who voted for the party in the 1982 elections voted no this time." In his opinion, these facts "ought to prompt self-critical reflection on the PSC's part, because otherwise the party is not likely to gain sufficient credibility to become one of the reference points for a real leftwing alternative in Catalonia."

8743

CSO: 3548/43

COMMENTARIES ANALYZE CARLSSON'S GOALS, STYLE, CABINET

Center Party Cooperation Sought

Stockholm DAGENS NYHETER in Swedish 27 Apr 86 p 16

[Commentary by Sven Svensson: "Carlsson's Courtship Tactics Before the Election"; first paragraph is DAGENS NYHETER introduction]

[Text] A spirit of unity and courtship, primarily toward the Center Party--that is the Social Democratic strategy under the new leader Ingvar Carlsson and the recurrent theme before the deployment leading to 1 May. Clear the decks of all the questions which were a burden in the last election, and save the confrontations until the 1988 election campaign. That is the Social Democratic strategy under the new leader Ingvar Carlsson, who began a charm offensive against the weakest link in the nonsocialist bloc, the Center Party. In the 1988 election the Social Democrats will return to an economic confidence election, since all the curves are pointing upward.

The sooner Ingvar Carlsson establishes himself as the uncontested leader of the Social Democrat Party, the sooner the Palme effect in Swedish politics will subside.

The possibilities in the 1988 election to ride on the Palme wave of international peace and disarmament will diminish in step with Ingvar Carlsson's establishing his own domestic and foreign policy profile.

Difficult Defense

In the last election the Social Democrats had great difficulty defending themselves on several questions. They concerned the turmoil over security policy and the submarines, drug abuse, environmental and resources questions, nuclear power development, farm policy with high food prices and a worsened quality of power.

On all of these points the new Social Democratic head of government Ingvar Carlsson is determined to create the greatest possible political unity across bloc boundaries. The Social Democrats need to create new confidence on those questions for which the nonsocialist parties have fair election winds behind them.

For a long time the Social Democrats had the advantage in interpretation of the security policy area. Osten Unden was the only real interpreter of the Swedish neutrality policy. Olof Palme internationalized it, but also made it more controversial. The Conservative attack on Olof Palme did not pass unnoticed by public opinion.

Increased Unity

Foreign Minister Sten Andersson intends to recreate national unity. With an experienced party politician in the post of foreign minister conditions are improved to achieve the security policy unity which perhaps more than anything is a Social Democratic advantage.

Family policy is a Social Democratic Achilles heel. Many families with children have a very strained economy. In January the government made a peace feeler to the nonsocialist parties. The budget contained an invitation to negotiations on family policy. Since the Social Democrats had no solution of their own, everything went awry from the beginning.

Assistant Social Minister Bengt Lindqvist has now made a new peace attempt by an invitation to a symposium about family policy. The intent is to try to solve the conflict around the expansion of day-care centers and the need for child-care compensation for parents of small children.

The explanation for this eagerness is that Social Democratic family policy is seen as both unjust and stiff-necked. Day-care centers cannot be built everywhere, and employment varies widely in different parts of the country, especially for women. A just family policy must therefore contain several elements of freedom of choice.

Drugs Concern

Drug abuse, which is no longer just an issue for the big cities, is a matter of concern. Several opinion polls indicate that drug abuse is the most urgent problem that the politicians should take in hand.

The nonsocialist parties have demanded criminalizing possession of drugs for a long time, but the Social Democrats have said no, which their own voters have had a hard time accepting.

Minister of Justice Sten Wickbom has had a couple of discussions with the leaders of the opposition parties trying to reach a peace agreement. The intention has been that all parties in the Riksdag should make a common declaration against drug abuse and at the same time strengthen the interpretation of the pertinent laws. The opposition has been unwilling to allow a key election issue to escape.

In 1985 the environmental issue became a heavy burden for the Social Democrats both locally and regionally. There was the expansion of the Edange cascade in Halsingland, the ScanLink on the west coast, and Klaraberg Viaduct in Stockholm. The Social Democrats were known as the "concrete party."

In answer to the criticism from mainly the Center Party and the Left Party Communists, Olof Palme decided to make Ingvar Carlsson the centrally placed Minister of Environment. After Palme's murder Birgitta Dahl took over the post of Minister of Environment. She was really in a hurry to invite the peace and environmental movements into a broad coalition.

In the nuclear power area the Social Democrats still have a problem explaining how developments should go. The party has spoken about a coming development strategy, while the Center Party and the Left Party Communists demand a concrete development plan.

Increased Suspicion

Birgitta Dahl's decision to repair Ringhals 2 for 1.2 billion has increased suspicion of the government's willingness and ability to shut down nuclear power by the year 2010.

In the farm policy area the Social Democrats represent large operations and packing houses, despite Olof Palme's recommendation for "freely pecking hens." In the 1985 election campaign the high food prices and the low food quality were a Social Democrat burden.

In the Riksdag the Social Democrats have given their own version of how the costs for the Swedish grain surplus will be covered. At the same time LO [Confederation of Trade Unions] and LRF [Federation of Swedish Farmers] have fallen into each others arms in an effort to improve the quality of food.

In the government declaration Ingvar Carlsson has already spoken of an "open door." Purely mathematically, the Social Democrat minority government has a big interest in unity in the Riksdag.

Ingvar Carlsson has begun his period as prime minister with affectionate attentions to the Center Party. These indications of affection do not entirely fall on the lips of Center Party members.

Certainly it is pleasant for an opposition party to see its own proposals realized in the form of government initiatives, but the embraces also serve as a reminder that Social Democrat policies always are intended to split the nonsocialists. And it is always the weakest link in the nonsocialist trinity which is exposed to the most pressing attention.

What the Social Democrats are now doing is a typical between-elections tactic, adapted to the mood following the Palme murder. This mood will not last forever. At the latest, in election year 1988, unity will be exchanged for confrontation in order to frighten sympathetic voters up off the sofa.

According to their own judgment, Social Democrats have always needed an opponent to fight against in an election campaign. There is no indication that anything will change because Ingvar Carlsson has followed Olof Palme as Social Democrat party leader. In order to get 43-44 percent and win

government power it is inevitable that the old "Conservative devil" will be called upon to help.

Weak Opposition

The Social Democrats should really have an easy contest in the 1988 election. All the economic curves are pointing upward miraculously, and the nonsocialist opposition appears weaker than in a long time.

The nonsocialists have not found their platform since the 1985 election turbulence, which saw Thorbjorn Falldin kicked out of his post, Ulf Adelsohn weakened, and Bengt Westerberg raised to the heavens.

It is characteristic of the confused situation that the previously bold and daring Conservatives became so uncertain about the political course, at the same time as doubt began to arise whether Ulf Adelsohn had the nerve and toughness needed by a political leader.

It is now a fact that Karin Soder became the new Center Party leader after Thorbjorn Falldin. Having a woman as leader of a party for the first time in Swedish history can cause curiosity.

Knife in the Back

Karin Soder has now with emphasis declared for a nonsocialist government, although it will be dominated by Centrists and Liberals. On that point she has all of her party behind her, even those who helped stick the knife in Thorbjorn Falldin's back for his leaning toward the right.

Thereby the worst uncertainty remaining from the 1985 election is removed. Even the controversy on waiting days for health care is being pacified, although this is not a repetition of the health insurance debate of 1985.

While Falldin attacked the Social Democrats from the right, the new Center Party leadership is struggling from an attack from the left, exactly as in Gunnar Hedlund's time. The demand for increased basic deduction from municipal taxes, which the Social Democrats quickly snatched onto, is a typical example of the change of course.

Liberal Party leader Bengt Westerberg is, following his big election victory, a more or less uncontested leader of the opposition until the 1988 election. Typically he has tried to gain the initiative by the proposal for a common nonsocialist election platform, even though it caused bitter comments. Every nonsocialist party wants to stand out as the most cooperative, and also to be the most profiled party.

Difficult Opponent

In many ways Bengt Westerberg is both a more difficult and rare opponent for the Social Democrats than Ulf Adelsohn was in 1985. He is well informed on the issues and verbally skillful, especially on TV.

Therefore it is just a matter of time before Ingvar Carlsson must begin a confrontation with the Liberal Party, so that Westerberg will not be able to grow too much.

The Social Democrats and the Liberals largely fight over the same marginal voters. The members of TCO [Central Organization of Salaried Employees] are in the spotlight. According to the latest voter barometer from IMU [Institute for Market Research] 34 percent of TCO members voted for the Liberal Party and 32 percent voted for the Social Democrats. Since the Social Democrats always give priority to LO's desires, perhaps the 1988 election will be decided by how the more undecided TCO members finally choose to vote.

Veteran Statesman on Personality

Stockholm DAGENS NYHETER in Swedish 27 Apr 86 p 3

[Op Ed Article by Erik Asard: "A Gray Socialist With Feelers"; first paragraph is DAGENS NYHETER introduction]

[Text] Ingvar Carlsson radiates very little fanaticism or dogmatism; repeating theories and ideological puritanism are foreign to him. Instead he appears to be more content in a scrutinizing, reasoning attitude in which there is also room for the arguments of the opposite side. No issue for him is either totally black or white. He has an intellectual attitude toward politics which makes one think of Erlander. The above was written by Erik Asard, veteran statesman, as he sketches Ingvar Carlsson's ideological profile, based on his major speeches and statements of recent years, in the following paragraphs.

Ingvar Carlsson is the Social Democrats' fifth party chairman through the years. He is not exactly a newcomer in politics. As early as the end of the 50's he was the secretary in the Cabinet Office under Tage Erlander. After two years as under secretary he was appointed minister of education in Olof Palme's first cabinet in 1969. During the years of the balanced Riksdag in 1973-76 he was minister of housing. And after the nonsocialist years he returned in 1982 as a cabinet member and the prime minister's deputy with responsibility for research and future questions, among other things.

To be a cabinet minister, however, is one thing; to be the head of government is another. With his elevation to prime minister Ingvar Carlsson has come into the focus of the mass media and public attention in an entirely different way. Who is he? What ideological profile does he have? What kind of Social Democrat is he? Does he represent continuity or renewal within social democracy? Questions arise, and the answers, as given by his political opponents, are as predictable as they are varied.

The Conservatives say that Ingvar Carlsson is more "socialist" than his predecessor. From the left, primarily VPK [Communist Left Party], there have been misgivings that the same Carlsson could be more of a gray, or old fashioned, socialist than Olof Palme was. And from politicians in the middle there is a vague hope that the new prime minister will prove to be a stalwart

practitioner, a person who thinks more of cooperation and results than rhetoric and bloc politics.

So the picture of Ingvar Carlsson is split, and expectations about him are changing. Which picture is correct? Only his future actions will disclose the nature of the practical politician. However it is not difficult to discover his ideological views. It is only necessary to go to the sources, in this case all his major speeches and statements of recent years. A review of this material gives a result which at least partly diverges from the above mentioned patterns.

Ever since the Social Democrats took back governing power in 1982 it has been a central task for Ingvar Carlsson to conduct the ideological debate with the nonsocialists and to discuss the so-called future questions. The themes have been fairly predictable: the balance between freedom and equality, the importance of research, growth of the information society, the new technology, future jobs, making the public sector more efficient, environmental policy, etc. Very few of the subjects of debate are absent from the speeches (with one noteworthy exception: the international questions).

Perhaps the most remarkable aspect of these speeches is the ambition to unite traditional social democratic values with a sensitivity for new ideas and issues. Ingvar Carlsson stands with one foot firmly anchored in the classic reformist soil. He lovingly defends the old well-known ideas of full employment, just distribution, general welfare policies and a strong public sector. The politicians whom he prefers to quote all come from their own tradition of ideas: Branting, Wigforss, Per Albin, Erlander. There is something splendid and homespun about Ingvar Carlsson's way of referring to these leader figures of ancient lineage, evoked to give weight to a certain viewpoint or to add life to a colorless definition.

But traditionalism--taken from the mould of a gray socialist, perhaps--is not entirely dominant. Ingvar Carlsson has his other foot placed on more uncertain ground, with his feelers eagerly reaching for the outside world. These feelers are aimed in two directions: partly toward opinion out in society, and partly toward the tough questions of the future. His interest in these questions is seldom expressed in any deep, sophisticated analysis. On the other hand that illustrates another quality of his: openness and a propensity to address problems being debated, to try to see a question from more than one viewpoint.

Ingvar Carlsson radiates very little fanaticism or dogmatism; repeating theories and ideological puritanism are foreign to him. Instead he appears to be more comfortable with a testing, reasoning attitude which has room for the arguments of the opposite side. No question is for him either totally black or white. There is an abundance of "on the one hand" and "on the other hand" in his statements.

"Computers will be used to centralize all knowledge and thereby thin out both work assignments and influence," he said in a speech (Norrköping, January 1984). But, he added immediately, computers "will also be used so that more people will have access to information and knowledge--and thereby to more

influence and more enriching work assignments." The idea is that technology in itself is neither evil nor good. "It is what we make it." The problem with that way of arguing is that systematically carried out it can give the impression of a lack of outline and substance, a general benevolence which does not offend anyone and neither is it capable of stimulating or provoking enthusiasm.

Another aspect of openness is an appropriate degree of self-criticism. We have "failed to give the people a reasonable amount of influence and a reasonable responsibility for their own situation," was said in the so-called "freedom speech" (Gothenburg, March 1983). Another speech said, We must recognize "that we Social Democrats have not always done enough to increase people's rights to their own choice and responsibility"(Norrköping speech).

Or take this passage from a recent environmental speech (Gothenburg, January 1986): "I believe that we have not done enough to guard our environment. I believe that despite our good ambitions we have sometimes made the wrong decisions, quite simply misled by the basic attitude that natural resources are commodities and should be dealt with thereafter. I believe furthermore that in many cases we have not used the knowledge which environmental groups, field biologists and others have."

All this serves to create an impression of sympathetic mobility and freedom, a kind of intellectual attitude toward politics which makes one think of Tage Erlander.

But sometimes that openness is mostly a gesture, a morsel to the doubters. Complications and difficulties are hinted at, which later have no importance at all in the overall message. "The new technology brings with it both new threats and new possibilities," it says for example in another speech (Lund, November 1983)--in which the reader finds that the entire speech is devoted to the possibilities, while nothing is said about the threats. This rhetorical tactic to give the listener an appearance of nonpartisan thinking when the message really has a very definite content is often present in Ingvar Carlsson's public statements.

Carlsson's openness thus has its definite framework and limits. Self-criticism is not allowed to go too deep. And flirting with new ideas never includes any courtship with outspokenly nonsocialist solutions, such as privatization of child care or other parts of public activity. Ingvar Carlsson speaks often and gladly about "freedom of choice," but what he is referring to is freedom to choose service within the framework of the common sector.

Still this outward openness is worth noting. It can distinguish the new head of government from several of his more famous predecessors. If Erlander's and Palme's election slogan was "Listen to the movement!" Carlsson's appears to be "Listen to the movement and public opinion!"

How "socialistic" is Ingvar Carlsson? The question has been raised on the editorial pages of nonsocialist newspapers, at times with tremulous tones. If we study the prime minister's declarations in speeches and writings there is

no reason for Anders Wall to lose any sleep. A more faithful supporter of the mixed economy and "the Swedish model" than Ingvar Carlsson would be hard to find. It is seldom, these days, that one sees the term "socialism" in his speeches--in any case more seldom than during the period 1961-67 when he was chairman of SSU [Social Democratic Youth League], when the monarchy should have been destroyed to dust and ashes.

Sometimes an expression such as "liberated socialism" is used, otherwise a term which the syndicalists preferably use to identify themselves. The attitude toward the market is divided. It exists, it helps to generate capital and employment opportunities, but at the same time it is not allowed to operate freely. On the contrary, the market must be "held by a tight rein." This viewpoint, however, is not followed up by any direct plea for a managed economy. The mixture of the mixed economy is not to be basically changed.

Carlsson is not particularly intrigued by the idea of a political utopia. He prefers to speak of earthly solutions or "provisional utopias" in the spirit of Wigfors. The goal is nothing more strange--but still nothing more inciting--than "that people should have it good, and live a rich and meaningful life." Or, as in an often-used reference to Per Albin Hansson, a principle of equality which says, "Not totally equal pieces of cake, but enough for all."

There is something typically Swedish and special about Ingvar Carlsson. His combination of moderate traditionalism, strength of basic intuition and sensitivity to new opinions will probably be a difficult nut to crack for our tame opposition.

Cabinet Members' Political Orientation

Stockholm SVENSKA DAGBLADET in Swedish 20 Apr 86 p 7

[Commentary by Anders Jonsson: "Broad Spread in the Circle Around Carlsson"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] Of the government's 20 cabinet ministers, 11 are on the Right, 7 are on the Left and 2 are in the middle. Five were mainly brought up and influenced by the judgments of Government House, and 13 by the labor movement. All the products of Government House are on the Right. The government has no forces on the Left which were brought up in the house of power.

These are some of the results of a not especially scientific charting made of the government by SVENSKA DAGBLADET.

When Ingvar Carlsson was named head of his party and thereby indirectly prime minister after Olof Palme he was described as the only one who could hold such a broad movement as social democracy together. The question is whether a social democratic prime minister must also have the characteristics of social democracy's broad span from Left to Right reflected in the government.

Ten Have Thought

To get the answer to the question we listened to about 10 people inside and outside Government House with a good insight into how the government works, and placed the ministers in a coordinate system. The results, shown in the illustration, are a summarization of the different placements.

The vertical axis therefore goes from "Influenced by the Labor Movement" [at the bottom] to "Influenced by Government House" [at the top]. This is to illustrate the spread between politicians brought up in the labor movement and technocrats brought up in Government House.

The horizontal axis is the customary Left-Right scale of the ministers' dogmatic and pragmatic attitudes. This has played a lesser role.

Knowledge and Drugs

The divisions can obviously be criticized. For example, is Gertrud Sigurdson's "hard" attitude on drugs or Bengt Goransson's demand for knowledge in the schools Right or Left? Does Lennart Bodstrom's time in the TCO [Central Organization of Salaried Employees] qualify him as a labor movement man? Does not the role of minister of finance give a position on the Right, while a minister of social affairs goes on the Left, regardless of where their political hearts lie? But despite objections, a number of interesting results can be read from this not-too-serious investigation.

Extremes in the government consist of two groups, each with three ministers. Farthest down on the Left with the greatest influence from the labor movement are Foreign Minister Sten Andersson, Education and Culture Minister Bengt Goransson and Assistant Health and Social Affairs Minister Bengt Lindqvist. Farthest up on the Right is the opposite pole consisting of "Government House products" Finance Minister Kjell Olof Feldt, Wages and Salaries Minister Bengt Johansson and Justice Minister Sten Wickbom.

No Leaflets

That civil servant Sten Wickbom, who never passed out a leaflet or rang a doorbell in an election campaign before he became a minister, is placed high up on the Government House axis is not so remarkable.

In party activity Wickbom has a counterpart in Bengt Goransson who was only an elected representative on a Tax Assessment Committee before he came into the government. Goransson still is farthest down on the labor movement axis because he has a long background in ABF [Workers' Educational Association], the People's House and RESO [International Union of Travel Organizations].

Carlsson Near the Middle

At the middle of the Left-Right scale, as expected, is the bulk of the government with 11 ministers. Prime Minister Ingvar Carlsson is a little to the Left but very near the midpoint, and is therefore according to this investigation well qualified to lead and hold this government together.

At the government's absolute middle is Agriculture Minister Svante Lundkvist who is in the middle of the Left-Right scale and because of his long experience as a cabinet minister is considered to be at the crossroads between "labor" and "Government House." Svante Lundkvist is the minister who is known for his efforts to seek a compromise which all can accept in all situations.

Breaking Out to the Right

A labor movement group which is breaking out to the Right consists of Civil Service Minister Bo Holmberg, Foreign Trade Minister Mats Hellstrom and Housing Minister Hans Gustafsson.

The upper left square is therefore entirely empty. The conclusion which can be drawn is that the government lacks a radical leftwing force with civil service background. Something which could for example assist a civil service minister who has to take in hand an intractable bureaucracy in order to simplify the rules, and dealing with or for a labor minister who works with heavy equipment who will sometimes do more than the government.

Historically there have been Social Democrat ministers with civil service backgrounds and leftwing profiles, from Osten Unden to Lennart Geijer and Carl Lidbom.

Hit Pictures

Another observation which can be made from SVENSKA DAGBLADET's quick investigation is the difference in political profiles which some ministers have. The "hit surface" where individuals close to the government unknowingly to each other placed their "X" for each minister varied considerably.

Ministers such as Sten Andersson, Sven Hulterstom, Bengt Lindqvist, Bengt Johansson, Bengt Goransson and Svante Lundkvist have a collective hit picture, all the people we interviewed placed them in approximately the same place on the diagram.

For other ministers the spread is considerably greater. That applies primarily to Mats Hellstrom, Lennart Bodstrom, Anita Gradin, Anna-Greta Leijon and Bo Holmberg. SVENSKA DAGBLADET's experts found it difficult to agree on where these five stand politically.

9287

CSO:3650/196

POLL INDICATES STRONG VOTER APPROVAL OF CARLSSON

Left Retains Significant Lead

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 24

[Text] (TT)--The Social Democrats have not been able to maintain their record rise in popularity following Olof Palme's assassination, but their standing in the April poll by SIFO [Swedish Institute for Public Opinion Polls] is still high. The poll results were published in SVENSKA DAGBLADET, ARBETET, the GOTEBORGS-POSTEN, and SKANSKA DAGBLADET on Sunday.

The gap between the blocs has shrunk since March, but the Social Democrats and the VPK [Left Party-Communists] are still clearly in the lead, standing 5.5 percentage points ahead of the nonsocialist bloc. In January and February, the nonsocialists were ahead by 3.5 percentage points.

Support for the Conservative Party has dropped by half in just over a year. They have not had so few supporters in SIFO polls since the late 1970's.

The poll is based on interviews with 2,500 people between 2 and 22 April. They answered the question: "Which party do you think is best today?"

The percentages in the April barometer are as follows (with the change from the March poll being shown in parentheses):

Conservatives: 15.5 (-0.5).

Liberal Party: 22.0 (+1.5).

Center Party: 9.0 (-0.5), of which the KDS [Christian Democratic Union] accounts for 1.5 (+/-0).

Social Democrats: 47.0 (-1.5).

Left Party-Communists: 5.0 (+0.5).

All other parties: 1.5 (+0.5).

This gives the nonsocialist parties a combined total of 46.5 percent, compared to 52 percent for the Social Democrats and the VPK.

In the previous poll, the Social Democrats experienced the biggest jump ever recorded by SIFO. The party rose from 42.5 percent in January-February to 48.5 percent in March, thereby breaking abruptly with the downward trend that could be seen at the beginning of the year.

That remarkable shift was explained as being due to the attention attracted by Olof Palme's assassination and to a liking for the new prime minister, Ingvar Carlsson. Now the Social Democrats are down 1.5 percentage points from March, but they are still at their highest level since August 1982.

Conservatives Experience Largest Setback

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 2

[Editorial: "Triumph for Moderation"]

[Text] Ingvar Carlsson can be pleased with the fact that the first month of his honeymoon with the voters has been followed by another. It is true that Sunday's SIFO poll shows a drop for the Social Democrats in April from their high of 48.5 percent to 47 percent. But the change, which for that matter lies within the margin of error, does not answer the question of whether we are slowly witnessing a return to normal or whether in fact a new political pattern is emerging.

Olof Palme's assassination has given the Social Democrats an emotionally generated lead, and at the same time, the government is being successful with the economy. The only dark cloud is the wage negotiations with public employees, which may disturb both harmony and the economic outlook. Nor can anyone foresee the storms that may be caused, primarily among pensioners and salaried employees, by a proposed real tax on interest. But the government could avoid that problem simply by putting the upcoming draft report on ice.

As new prime minister, Ingvar Carlsson has taken great pains to build up confidence even outside his own party. If he continues in one area after another to seek understandings with nonsocialist parties, whose proposals the Social Democrats will then accept, it will be difficult for a divided opposition to find common points of attack.

It is, after all, chiefly among the nonsocialist parties that the drama has been played out since the election. Sunday's SIFO poll indicates that the Liberal Party's decline after Palme's death was temporary and shows that the Conservative Party's furious attacks, resumed over the weekend, have so far been in vain. The fact is that the Conservatives are still somewhere around 16 percent, which is a record low for the 1980's, while the Center Party has stabilized at around 9 percent.

That 9 percent is a low figure, but it is promising all the same: the Center Party has come through its drawn-out party leader crisis without suffering any

more losses. Now that it is clear that Karin Soder is a candidate for the job of party leader, the party's regained stability and self-confidence should gradually yield results among the voters as well.

The situation is worse for the Conservatives, who seem unlikely to be able to overcome their sagging credibility. The strategic long-term view that characterized the party throughout the 1970's now seems to have vanished completely. Disappointment over the election outcome has given rise to unreasonable demands for quick results and called forth conflicting strategies for success. It is difficult to be a Conservative Party leader today. It may be that Adelsohn's lack of genuine ardor in combat and displays of self-pity in public do not make the job easier.

It is a triumph for objectivity and moderation that Ingvar Carlsson dominates the scene with Bengt Westerberg as his chief opponent. But what will the next election campaign be fought over?

11798

CS0: 3650/193

AID ORGANIZATION TO PROVIDE MORE DETAILS ON FOREIGN PROJECTS

Stockholm DAGENS NYHETER in Swedish 24 Apr 86 p 8

[Article by Kaa Eneberg: "SIDA Examines Aid"]

[Text] The fact that the Swedish taxpayers annually give nearly 9 billion kronor in aid to underdeveloped nations is scarcely questioned any longer by any major group. On the other hand, the demand for control and accountability for the assistance funds has increased.

In order to meet that demand, the aid organization SIDA [Swedish International Development Aid] has started issuing a series of publications dealing with various efforts. It is purely technical reading, with detailed analyses of the positive and negative sides of the projects, which previously could interest only those directly involved.

The series, which is published in English under the title "SIDA Evaluation Report," is expected to provide stimulating reading material for a wider circle of people interested in aid, however, including the assistance organizations of other countries.

SIDA, which anticipates 10 reports a year, has gotten off to a running start with six detailed reports. Another two are planned.

About 30 of SIDA's total of 200 assistance projects are evaluated each year. This is done in case of problems, when a new phase in the work is begun or when a contribution has been completed.

"It is a matter of constant return of knowledge which is important to the continued work," says Elisabet Levin, head of SIDA's evaluation unit. The evaluations in the new series are made by independent observers, who have had nothing to do with the project itself. It is also necessary to account for what Levin calls "objectively determined results." It is pointed out as particularly positive that the recipient countries have been induced to participate in the evaluations.

The reports now published account for efforts in the assistance nations of Laos, Kenya, Somalia, Lesotho, Botswana and Pakistan, which ceased to be an aid recipient country in 1978.

In Laos, where SIDA invested in two forest projects, the failure is regarded as due to the fact that one cannot manage to export the lumber and replenish the trees. There are also questions about the transportation of lumber with tractors instead of the traditional elephants. It is seen as positive that the large projects were built "from absolutely nothing."

In Lahore, Pakistan, an import subsidy of 150 million kronor was used to purchase bus chassis from Volvo. Four hundred of the buses are still rolling, but efforts are needed for better roads, availability of spare parts and training.

Dependence on South Africa

In South Africa's neighbors Botswana and Lesotho SIDA has concentrated on establishing small firms or labor-intensive projects such as roadbuilding. The purpose has been to create jobs and reduce the dependence on South Africa. Companies have been established in Botswana but not in rural areas where unemployment is great. Imports from South Africa also have not declined. In Lesotho it has been difficult to recruit people for the projects.

Other evaluations concern health care in Kenya and the reconstruction of a fishing boat factory in Somalia. The fishing boat factory has started a production which is difficult to sell partly because the country's nomadic population has no fishing tradition. The report recommends that assistance for raw material imports to the factory should be halted and that the production be broadened with various plastic products such as latrine lids.

11949

CSO: 3650/190

COMMUNIST PARTY YOUTH ORGANIZATION'S HERMANSSON GIVES VIEWS

Stockholm DAGENS NYHETER in Swedish 24 Apr 86 p 18

[Article by Anders Ohman: "Support People's Will to Defend Themselves"]

[Text] The Swedish military should not get more money for armament and expensive weapon systems. Lower the defense spending by 1 billion kronor. Instead, support the civilian and economic defense. Man the lighthouses and let us get back a living archipelago. A constantly watchful eye in our archipelagoes is better protection against intruding submarines than costly coastal corvettes, helicopters and depth charges.

These are the words of Stellan Hermansson, 28 years old and chairman of KU (Communist Youth), the VPK's [Left Party Communists] youth organization headquartered in Goteborg. The attitude of the Young Communists toward the Swedish defense is simplified--no more money on the terms of the military, strengthen the will of the people, conscription and civilian defense. KU has its Marxist view as well. The military apparatus is a part of the state apparatus which guarantees the power of the "ruling classes."

At the same time KU is against Swedish disarmament and defends the right of each people to defend its national independence with arms.

"Redistribution" is a key word in KU's defense position, which shares the VPK parent party's demands to reduce defense spending by 1 billion annually.

The cornerstone of KU's defense ideology is general military service as an expression of the people's will to defend itself. Strengthening the democratic freedoms and rights of the conscripts is an important part of the work of the Young Communists.

"By improving conditions for the conscripts, we want to prevent a development toward an elite defense," says Stellan Hermansson.

Too Bad

It really is too bad, he says, that a conscript today is so badly off that he is forced to be demobilized thousands of kronor in debt. At the same time he

is forced to obey oldfashioned and rigid military regulations. He himself was forced to replace a stolen cap with his own money.

Instead of an expensive crust defense, with technically complicated weapon systems, the KU wants to concentrate on modern missile weapons as the principal component of the Swedish defense.

These missile weapons should be produced in Sweden in large series. The cost relation between a "war machine" and a modern missile, in KU's opinion, is about 1:100. It will be unnecessary to disband units, since there is room for both missiles and general conscription even in a slimmed-down defense budget.

The defense can be organized in smaller units. A battalion size of 800-1,000 soldiers is judged appropriate. The defense will be more easily mobilized, decentralized, very mobile and, according to the KU, able to undertake a defense in depth across the entire country.

The KU is in favor of Swedish weapons exports to neutral and nonaligned states, and it could also conceive of Sweden selling weapons to socialist liberation movements and countries such as Nicaragua.

The KU does not believe in the dark undertones of the threat picture against Sweden conjured up by military people, with the Soviet Union as the potential attacker. The increased tension in Europe is blamed on the "aggressive armament policy" of the United States and NATO.

Simultaneously, the KU turns critically toward the East, against the submarine violations of which there is proof. A nuclear-free zone in the Nordic region is the goal, for which the Soviet Union should also remove its six nuclear-armed Golf submarines from the Baltic Sea.

The KU's defense philosophy is a balancing act between a democratically structured, strong conscripted defense and a consistently antimilitaristic defense policy.

"Militaristic tendencies must be repelled wherever they manifest themselves," it says in the program.

Rambo Cult

Stellan Hermansson does not believe that good soldiers must be hardboiled macho types, who thrive on the Rambo cult and hatred of women.

"I believe that the soldiers of the liberation movements must be the best and most motivated ones," he says.

He does not trust Swedish career officers. In another social climate he thinks the Swedish military could be used against the people, as in Adalen in 1931.

11949

CSO: 3650/190

CENTER PARTY MUST LOOK TO FARMERS FOR REVIVAL

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 2

[Editorial: "The Center Party's Care of its Roots"]

[Text] The Center Party grew out of the soil. If the party is to tend its roots--and doing so is especially important if the party is to grow strong again after a dip in confidence lasting many years--its leadership will have to be in contact with agriculture.

Good common sense therefore indicates that Karl Erik Olsson will be elected the Center Party's new deputy chairman this summer. He is a farmer from Skane. And it is in southern Sweden that the Center Party has its strongholds. Since last fall, moreover, Olsson has been chairman of the Committee on Agriculture--an important post for a member of the Center Party.

A minority on the nominating committee has recommended Per-Ola Eriksson instead. He is from Norrland and is more of a purely professional politician. Neither of those facts is in his favor.

Both Olsson and Eriksson are modern Center Party men, however, and they see beyond the simple protection of interests. They are children of the green wave. Both--but especially Karl Erik Olsson--helped develop the idea of the local community. Now that the Center Party needs a extra dose of forward-looking thinking, the ideas on the local community may become topical again. But with considerably less regulation now than in the 1970's.

The nominating committee's recommendation that Karin Soder, Olof Johansson, and Karl Erik Olsson be elected to the Center Party's leadership signifies a total defeat. Olof Johansson was stabbed in the back by being recommended as new party chairman immediately after Thorbjorn Falldin's resignation. Now he will have to be content to move one step higher in the party hierarchy. Neither of the two people nominated for deputy chairman last winter--Borje Hornlund and Helena Nilsson--was even considered this time. The nominating committee's handling of the matter was also a disadvantage in their case.

If Karl Erik Olsson is elected, he may be a strong candidate for new party leader. He is the same age as Olof Johansson and has the same "green" convictions. But he has the advantage of not being associated with the Center Party's decade of defeat. And he stands with both feet in the soil.

11798

CSO: 3650/193

BRIEFS

INCREASED AID TO SWAPO, ANC--Both liberation organizations SWAPO and ANC will receive increased aid from Sweden. This was decided by the government on Thursday. According to TT [TIDNINGARNAS TELEGRAMBYRA] SWAPO will get 59 million kronor next budget year, an increase of 9 million kronor. ANC's grant is raised from 43 to 52 million kronor. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 25 Apr 86 p 6] 9287

CSO:3650/196

SDP SEEN QUIETLY PREPARING 'NONOFFICIAL' SECURITY POLICY

Party Group Defense Strategists

Copenhagen BERLINGSKE TIDENDE in Danish 2 Apr 86 p 14

[Editorial: "Which Strategy?"]

[Text] The Social Democrats have long had an internal defense committee, which, under the leadership of Knud Damgaard and with military support from Colonel G.K. Kristensen, has worked on a proposal for a new defense policy. Knud Damgaard is on the decline politically, and G.K. Kristensen has already fallen from the powerful summit where he was for a time. But this does not mean that the party has not brought together a representative group of defense strategists -- representative of the present trends in the party.

The proposal has not yet been made public, but it is clear that the wording at least will have to do with a so-called nonoffense security policy. It will not be possible to see what this means in detail until the proposal is published. The concept is not at all clear, and in itself it is not new. As long as one can remember, the Danish military has been a purely defensive force. Some Social Democrats have tried to rename the idea a "pared down defense," but this phrase does not seem to have been able to get through the party machine.

But behind all this is the fact that the main trend in SDP defense policy is about to be gathered together into a move that will be carefully read in all circles, because it may turn out to contain a real showdown with the party's previous policy. First of all, it is noteworthy that the traditionalists in the party, exemplified by Poul Sogaard, have had to take exception to the main points in the proposal, and that Poul Nielson, who is of the same opinion, has not been able to be elected to the defense committee of the Folketing. This shows the strength behind the new movement in the party. Then, too, it is worthy of note that the SDP seems to be working on a proposal that to be sure will continue to require strengthening agreements, but will try to create greater negotiating freedom for Denmark by relaxing the ties -- and the Danish obligations -- to the Danish-German common command.

Both of these signals point toward extremely difficult defense negotiations. If the SDP prevents its own experts from having the opportunity to influence the negotiating proposals, the rest of the parties in defense negotiations will meet a negotiating group that will not feel itself bound by the party's actual tradition. If there is a Social Democratic demand for the Danish

defense force to be as independent as possible, this will mean that the long policy line that has been followed since 1949 will be broken.

In this situation, the other parties must decide among themselves whether there is need for a "pared down defense" as suggested by the SDP, or whether it would be better to have an increased defense. The strategy must be decided upon when the proposal is made public.

SDP's Maigard Supports Proposals

Copenhagen BERLINGSKE TIDENDE in Danish 22 Apr 86 p 8

[Op Ed Article by Jens Maigard: "From Footnotes to Nuclear Strategy"]

[Text] In its lead editorial of 4 April of this year on the main lines in the defense debate, BERLINGSKE said: "The defense policy deadlock is unfortunate for both sides. The Social Democrats do not have to worry about what the nonsocialist parties will come up with. Because they simply will not come up with anything."

"Because they simply will not come up with anything." BERLINGSKE is just as correct in this observation as the newspaper is wrong in saying that the political idling in nonsocialist Denmark is solely the fault of the Social Democrats. Much too much credit. What has happened to accepting one's own responsibility?

The quote from the BERLINGSKE editorial comes quite naturally to mind in writing an answer to Defense Minister Han Engell's contribution to the paper on 15 April. Just take Engell's emotional statement: "Maigard also owes us an answer on what the SDP will do if all nuclear weapons are eliminated, or if they should possibly be unilaterally eliminated in Western Europe." Why do I have to answer that? This is obviously not going to happen! The question has nothing to do with the case.

No, "...they will simply not come up with anything." There is good reason for this. For example, one can mention the NATO strategy Engell speaks so well about. Is it on solid ground? Hardly. The nuclear strategy is full of inner contradictions. Let me name two.

The nuclear strategy is built on the assumption that the Americans will use nuclear weapons in the defense of Western Europe, even if this means an incredible risk for the U.S. But what if the Americans do not want to? The father of nuclear strategy, former Defense Minister Robert McNamara, put it this way: "Both John F. Kennedy and Lyndon Johnson were privately in agreement with me that NATO should never take the initiative in the use of nuclear weapons. This policy was so controversial among the NATO allies that it could not be presented openly." (NEWSWEEK 5 December 1983). In other words: It is risky to let the military side of security rest on weapons one does not control.

The nuclear strategy is also built on the assumption that one can -- at least to a certain extent -- control a battle exchange with nuclear weapons. The flexible strategy was of course created to remove the nuclear threshold. But all indications are that one cannot control the process. The former defense chief, Knud Jorgensen, described the situation as follows: "I have very strong doubts about whether one will at all be able to control one or another form of 'exchange' between two parties after one has already made a start. The probability is that it will end in total war, and this means the end for everyone." (BERLINGSKE TIDENDE 29 January 1984.

It is not I, but the defense minister, who owes an answer.

But this will certainly not stop me from presenting my opinion.

I think that we in Europe have made ourselves much too dependent upon nuclear weapons, terrible weapons both militarily and politically, and under American control. I therefore intend to support steps to decrease this dependence. A realistic, gradual effort against the nuclear threat can, in my opinion, take several paths:

(1) The North must be made by treaty into a nuclear free zone, guaranteed by the two super powers. This will be a noble Scandinavian effort toward European relaxation of tension. But it is a very ambitious goal that under the best of circumstances will take many years to realize.

(2) Denmark must be made nuclear weapon free "in times of peace, crisis, and war." Efforts along these lines will presumably touch upon the policy of strengthening and questions concerning the structure of integrated defense.

(3) NATO's nuclear strategy must be changed. The nuclear threshold must be eliminated. Tactical nuclear weapons must be removed from sensitive geographical areas and gradually completely replaced by conventional high-tech weapons. Furthermore, NATO must change its system so that in a few years it will refrain from the first use of nuclear weapons.

Engell says that something like this will require a strengthening of the conventional defense. Will Maigaard accept this? My answer is: If necessary, yes. (I believe that Hans Engell will, in this question, have much more difficulty with the conservatives concerned about taxes than he will have with me. The conservatives concerned with taxes can tolerate nuclear weapons because they are cheap, and because the Americans are paying).

On previous occasions I have challenged Hans Engell, in order to break the deadlock security policy has come into, to raise the question of the comparison of nuclear and conventional components. This, too, was a waste of words. Now, when the Ostergaard committee has seven months left to work, there is good reason to suggest that thoughts such as these be tried out in committee. We certainly cannot remain with "...simply not coming up with anything."

In its lead article of 4 April, BERLINGSKE TIDENDE was of the opinion that the deliberations in the Ostergaard committee ought to bring Danish security

"into a safe haven." Hope does not protect anyone.

For my part, I will point out two points upon which a meaningful conversation can perhaps be established.

(1) The Dyvig report, which is a subject for the Ostergaard committee's work, contains interesting and thoughtful considerations about an atomic strategy that is based on "nonpremature first use" of nuclear weapons. It is clear what the Dyvig committee is heading. Knud Ostergaard has nevertheless stood for many years before an empty goal with the ball all by himself. When will he pull himself together?

Why not a nonpremature first use? How?

(2) After the most recent American test explosions there is obviously wide political agreement that atomic tests both in the East and the West must be condemned. The argument is about the form of condemnation. For those of us who have spoken and striven against nuclear tests (including the efforts to make the communists go along), this unity is a great thing. Start the discussion there. Why?

How?

If nothing happens in the Ostergaard committee, there remains the left wing. At present, a phantom is going through the Danish left wing. The phantom of the SDP. This is having many effects. In the area of the military aspects of security, there is a dawning understanding of the necessity of some type of defense. No longer does one say, "What's the use?" They say, "How will we do it?" This is, in my opinion, epoch making.

I do not believe that this process in the Socialist People's Party, which naturally is centrally located in the discussion, will lead in the foreseeable future to positions that will enable the Socialist People's Party to take part in a government. We do not buy their demand for a break with the integrated defense and with the strengthening discussions. But with the community that has arisen around the security policy majority, and with the process that is afoot in the left wing, we may be able to go from footnotes to nuclear policy. It is a possibility if it turns out that there are no others.

And now for something completely different.

The military leader of the Home Guard, General Gottlieb, has demanded in BERLINGSKE TIDENDE 17 April an unqualified apology from me, presented without explanations, comments, or in connection with other points of view.

With all the respect I have for the office General Gottlieb occupies, I ask him once again to read through thoroughly what I actually wrote: "One must not

overestimate the developments in process in security policy in the left wing. But it is certain that the left wing is moving away from the traditional, strongly antimilitaristic position toward viewpoints that contain understanding for the military side of the security policy question.

In the nonoffense, pared down security policy presently being investigated and considered, the Home Guard must naturally take part. In the past one has said of the members of the Home Guard that they were "killing time."

We are definitely talking about a movement here.

9124

CSO: 3613/110

SWEDISH SHIPYARD LAUNCHES FIRST STANDARD-FLEX 300

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 86 Sect III p 6

[Article by jds: "New Navy Ships for Aalborg Shipyard"]

[Text] The hull for the first so-called Standard-Flex 300 unit from the Swedish Karlskrona Shipyard has been launched and will sail in the near future to Aalborg Shipyard, which has a contract for seven of these ships for the Danish navy, with the possibility of nine more. The first ship in the series was able to be launched only nine months after signing of the contract.

The next hull will be built at Aalborg Shipyard, but first after an extensive testing program has been completed for the first unit.

The complicated equipping work is being undertaken by the shipyard, which has built naval ships previously, including the supplying of three corvettes of the Niels Juel class.

The design departments at the shipyard are at present busily occupied with preparation of the design and drawing basis for the equipment on the first unit. The design assignment will be completed in a joint effort between the shipyard's technical staff and the Navy Materiel Command.

The Standard-Flex 300 is a totally new type of naval vessel whose hull and superstructure are constructed from glass-fiber-reinforced polyester in a sandwich design. The ships will be able to perform quite varied duties, since the weapons systems and other equipment will be containerized and interchangeable. Interchanging will be able to be performed quickly and simply.

8831

CSO: 3613/114

DEFENSE ARMS WEAPONS EXPORTS DOWN IN 1985

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 86 p 14

[Article by Carl-Gustav Linden]

[Text] According to the Ministry of Defense, our arms exports declined slightly last year to just over 60 million markkas. Exports of gunpowder declined the most, according to Kauko Karkela, justice of the Supreme Administrative Court.

Arms exports totaled nearly 70 million markkas the year before, according to official figures, and just over 50 million markkas the year before that.

The largest exporter is Kemira (gunpowder), followed by the state-owned Valmet (rifles and ammunition).

Gunpowder accounts for just over half of Finland's arms exports.

Karkela says that the most important destination for exports last year was the Far East: Singapore, Thailand, and Malaysia.

One reason for the decline in exports was that several small countries around the Persian Gulf were added to the cabinet's list of banned countries because of the war between Iran and Iraq.

At Least Twice as Much

Researcher Pertti Joenniemi of the Peace and Conflict Research Institute in Tampere says that Finland's arms exports actually totaled between 100 million and 150 million markkas.

That figure was worked out on the basis of customs statistics and the cabinet's export licenses.

The Ministry of Defense provided no information on how it arrived at its figures.

Joenniemi says: "The figures on Finnish arms exports are obviously rising. Generally, the international market has declined. Exports from the industrial countries have declined--the developing countries are buying from each other instead."

Export Efforts

Since the start of the 1980's, the value of the international arms trade has dropped by half, and competition has grown stiffer.

Joenniemi explains: "The increase in Finland's case is a clear exception. The reason must be our considerable export efforts."

Arms-purchasing countries have been showing in increasing interest in all militarily useful goods, not just equipment.

Two Finnish military products that have been aggressively marketed abroad are Valmet's Vinka training aircraft and Tampella's new 155mm gun. But without much success so far.

A recent report says that among neutral countries, Switzerland and Sweden are the largest arms exporters. Their arms exports totaled over 1 billion markkas in 1984.

Bofors Order

It became clear a week ago that Sweden's Bofors would supply India with a field artillery system worth 8.4 billion kronor. That is the largest individual export order ever.

The management of Bofors and its parent company, Nitro Nobel, is now looking into the matter of subcontractors. Several Finnish firms may be considered.

Tampella has produced Bofors guns under license in the past, and as far as is known, it has discussed the Indian deal with Bofors. Nokia has, among other things, developed a radar system known as Joke in cooperation with Swedish Philips, which is going to supply the sight equipment for Bofors. Kemira has supplied Bofors with gunpowder in the past. And Forcit in Hanko has supplied explosives.

But Bofors has promised the Swedish state that it will assign its subcontracting work to firms in Bergslagen for the sake of employment.

11798

CSO: 3650/187

NAVY PROPOSAL TO PURCHASE MINESWEEPERS FROM NETHERLANDS

Oslo AFTENPOSTEN in Norwegian 2 May 86 p 4

[Article by Liv Hegna: "The Navy Needs Minesweepers: Used Ships From Netherlands?"]

[Text] AFTENPOSTEN has learned that the Navy has proposed to the Defense Department to purchase four minesweepers from Netherlands as a beginning in the replacement program for our aged minecraft. The issue is seen as controversial from an industrial policy standpoint, as both small and large shipyards along the Norwegian coast are standing in line for orders these days. One sensational aspect of the Navy's proposal is the financing method, which will be by taking out a loan.

It is well known that the current political leadership in the Defense Department is not favorable toward the new financing methods for procurement of defense material. Undersecretary Oddmund Hammerstad previously told AFTENPOSTEN that the next long term plan for the Defense Department will deal with such questions, but for the present it is not current policy to borrow money for purchase of material abroad.

The principle of cash payments has been dominant in public budgets, and the so-called Haga Committee, which looked at reforms to enhance productivity in the state budget system, concluded in 1984 that significant changes would not be advantageous here.

Industrial Policy

If it is the current political leadership which decides the matter, it is probable that industrial policy and employment considerations will be decisive as to when the naval ships will be purchased. Director Kare Rygg Johnsen of Det Norske Veritas is heading up a working group which will evaluate the possibilities of getting the Norwegian shipbuilding industry into the picture.

The commander of Naval Forces South Norway, Rear Admiral Rolf E. Pedersen, confirmed to AFTENPOSTEN that Norwegian shipyards have the capacity to produce the minesweepers. He called the existing ships a "critical factor" in the Navy. To the question of whether there have been signals from our allies who have advance material stored on Norwegian soil, whether they want Norway to

speed up the replacement program for mincraft, Pedersen said that the fact that that material must be moved to north Norway is part of the equation causing the Navy to give priority to the mincraft project.

Unseaworthy

The 10 minesweepers (of which a large number have been declared unseaworthy) were built in the mid-50's, some in Norway and some in the United States. They are antimagnetic and built of wood. The four ships which Netherlands wants to sell to Norway are also built of wood, while Sweden has such ships made of plastic.

9287

CS0:3639/106

DISAGREEMENT CONTINUES BETWEEN ARMY, DEFENSE MINISTER

Madrid TIEMPO in Spanish 7 Apr 86 pp 28-29

[Text] Narcis Serra has promised the prime minister of the government to put an end to the "autonomous military power" in the Armed Forces. Felipe Gonzalez intends to have two goals fulfilled by the time that the first Socialist legislature ends in October: the disappearance of the coup threat in Spain, and the military authorities' subordination to the political authorities. With both fulfilled, the rest of the military assignment is easy: to modernize and professionalize the Armed Forces in the context of our membership in NATO.

For the purpose of neutralizing one of the most active focal points of the so-called autonomous military power, namely, the Military Headquarters of Valladolid, the defense minister, Narcis Serra, has appointed his most trusted collaborator to command this military region: Gen Francisco Veguillas Elices, who served for 3 years as director of his technical office.

Veguillas' promotion to lieutenant general, decided on by the government in the Council of Ministers' session on 21 March of this year, and his assignment to head the Valladolid headquarters, brought about a request to be transferred into the active reserves from Div Gen Fernando Yrayzoz Castejon, inspector of the infantry branch, who was better qualified than Veguillas for the promotion and who was counting on being named commander of the Seventh Region, because his name was first on the list of three which the Army's Superior Council had submitted to the minister.

Serra paid no attention to the generals' recommendation. It is not without reason that the councils of the three military branches, comprised of lieutenant generals or admirals on active duty, have moved from holding decision-making functions to being merely advisory organs; and he appointed Veguillas to a commander's post which has already begun to cause him problems, when he was forced to suddenly dismiss Lt Gen Fernando Soteras Casamayor on account of some statements wherein the then military commander criticized government decisions and upheld principles closely associated with "military autonomy."

The intelligence services have discovered meetings of military personnel in Valladolid and in the Eastern Military Region; the most recent of them at a Castellon restaurant on Monday, 24 March, attended by 20 members of the Army

high command, at which the government was harshly criticized for what some military sectors described as "intolerable interference in matters of the internal operation of the military institution."

Extreme Enclave

The Valladolid Military Headquarters, which has played a very special role during the entire transition, is still an active enclave of the extreme right, from Falangists to followers of Blas Pinar, who are attempting to attract the military from this garrison to themselves; something relatively easy in a small city where they attend the same social gatherings and bars. The argument used by the extreme right, which is shared by certain military sectors, is the following, in brief: "The Armed Forces are the trustees of the nation's permanent values. When the ruling class departs from those values, the branches of the military are obliged to intervene, and for this purpose it is necessary for them to retain a margin of autonomy with respect to the political authorities."

CESID's [Higher Center for Defense Intelligence] area of involvement, headed by Lt Col Santiago Bastos Norena, has been giving this Military Headquarters preferential attention, which is also compounded by the Ministry of Interior's intelligence and prevention effort, through the Office of the General Commissioner of Intelligence; although the relations between the police and CESID are not as good as Barrionuevo and Serra would like.

According to the men in the intelligence services devoted to neutralizing the involvement in the Armed Forces, Valladolid and Valencia are the two Military Headquarters which have kept the embers of "military authority" most aflame; although, to put things in their proper place, "the ideologues of military autonomy who are keeping ablaze the flame that the Army must be the guardian of the political authorities are not in the peripheral organization, but rather in the central organs in Madrid, such as general headquarters, CESEDEN [Higher National Defense Studies Center], the Staff School, the Armored Division...." as a member of the Land Army's Intelligence Division claims.

New Northwestern Military Region

Next year, the Seventh Military Region will merge with the Eighth Military Region, with headquarters in La Coruna, as part of the Land Army Modernization Plan (META), with the name Northwestern Military Region. The new territorial demarcation will occupy a fifth of the peninsula, and it will contain important units, such as the Airborne Brigade.

This is why Serra has given Veguillas the order to professionalize this Military Headquarters to the maximum extent, and the Army chief of staff (JEME), Jose Saenz de Tejada, has not alarmed the minister with reports prepared by the intelligence division of his headquarters regarding meetings of military men with known extreme right wing personalities.

A commander close to Minister Narcis Serra's office comments: "It is not that the minister doesn't trust Yrayzoz, but rather that, for a critical Military Headquarters such as the one in Valladolid, he wanted to assign someone with his entire confidence, with whom he has been living, day by day, for 3 years and who, it must not be forgotten, has been the author of the laws that have most severely stricken military autonomy."

Veguillas, in his position as chief of the defense minister's technical office, has been the brains behind three key laws whereby Felipe Gonzalez' government has subordinated the military authority to the political authority: the reform of the Organic Defense Law and the Basic Criteria for Military Organization; the reform of the Higher Councils of the three branches of the military, depriving them of their decision-making functions and making them merely advisory organs of the minister (decree-law of 10 July 1985); and the ministerial order regulating the procedures for the promotion of generals (published in the "Official Defense Bulletin" on 19 March of this year). This order abolishes the lists of three proposed by the councils, which forced the minister to fill the generalship slots from among the candidates selected by the lieutenant generals or admirals on active duty themselves, who are the ones comprising the higher councils of the Land Army, Navy, and Air Force.

Veguillas has carried out these reforms, advised by Comdr Jesus de Olmo, the Land Army's legal consultant, and Comdr Miguel Silva. The latter has been received into the temporary reserves, and acts as a civilian in the minister's office, with the post of technical adviser. Serra has always very closely monitored the preparation of these laws which establish the subordination of the military authority and consolidate democracy, to the point where he has often invited this "mini-team" to lunch, so as to become informed on the status of the drafts of these laws, in order to report to Prime Minister Gonzalez, in turn.

General Yrayzoz, 61 years of age, who spent 40 of them engaged in the militia, who was number one in his graduating class and has the most brilliant service record of the generals in the Infantry branch, headed the list of three names proposed by the Army's Higher Council for promotion to lieutenant general, along with Juan Castellanos, chief of the Armed Division (DAC), and Jose Carrasco Lanzos, general commander of Melilla.

But Serra did not heed the list of three. He had already decided that General Veguillas would replace Prudencio Pedrosa Sobral in the Valladolid Military Headquarters when the latter joined the active reserves on 20 March, having reached the age based on regulations. The government does not want shocks in the Military Headquarters since the incidents involving Soteras (Valladolid) and Alvarez Zalba (Zaragoza). And Valladolid has been uneasy with Pedrosa, former chief of the Armored Division, a professional with great prestige and charisma. Sources from the Army Headquarters remark: "Pedrosa has run the Military Headquarters with discretion, but he has not proven to be completely strong when it was time to check some outbreaks of military autonomy."

Furthermore, Saenz de Tejada, contrary to what certain news media have published, and despite the fact that General Yrayzoz is a personal friend of his, knew that Vaguillas would be Pedrosa's replacement.

The defense minister has learned from the military that the best tactic against the adversary for attaining final victory is to conceal one's own mistakes and weaknesses. There is no danger of a coup d'etat in Spain, but the Socialist government, after nearly 4 years, is still unable to trust in more than a small number of the military, and every promotion in the generalship positions is viewed with a magnifying glass. "Lots have to be drawn to fill the lieutenant general slots," claims a high-ranking official close to the minister, who views in this kind of lottery the origin of the criticism that has been made of Serra's administration regarding the policy on appointments.

The aforementioned source goes on to say: "We have to proceed with great caution, because some generals are convinced advocates of the democratic system, while others are pragmatic and ambitious, deciding to cooperate with the Socialist government in order to reach the highest posts and not wreck their career, after 30 years; and still others are, in short, like sphinxes, and despite all the reports that we procure, we still don't know how they might turn out."

2909

CSO: 3548/49

BRIEFS

CANARIES NAVAL BASE DELAYED--The construction of a possible naval base in the Canary Islands has been halted because of a lack of budget, although it has not been precluded that, in the near future, the Defense Ministry may speed up a long-standing project that has been sleeping on the desk of the Navy chief of staff, Admiral Cardenal. Since 1976, the heads of the Spanish Navy have had the plan to reinforce to a considerable extent the Balearic Islands-Strait-Canaries defense line, by locating a naval base in Arinaga, and beefing up the Puerto de la Luz naval base. In the opinion of the experts, Spain's definite establishment in the Atlantic Alliance, after the results of the referendum in March, could contribute to the restarting of the old project designed by the former minister of Navy with the former prime minister, Carlos Arias Pita da Veiga. The only thing that might change would be the site where the base would be located; because, instead of Arinaga, the military experts prefer the island of Lanzarote. Nevertheless, one of the problems for the Defense Ministry is precisely the results of the referendum in the Canary Islands, owing to the considerable victory of the anti-Atlantic planks in the voting on 12 March. [Text] [Madrid CAMBIO 16 in Spanish 14 Apr 86 p 15] 2909

CSO: 3548/49

HOME GUARD COMMANDER DISCUSSES LOCAL DEFENSE, NAVAL MISSION

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 26

[Article by Anders Ohman]

[Text] Lieutenant Colonel Gennadiy Glodov, the Soviet military attache in Stockholm, met Eva Andersson, 30, a soldier in the industrial civil defense service, the other day. She was wearing a bulletproof vest and was armed with an AK-4.

It happened at the Home Guard Combat School in Vallinge, Norsborg, on the banks of Lake Malaren outside Stockholm. Nine defense attaches accredited to Sweden got to learn something about the Swedish Home Guard's new missions, equipment, and combat capability.

The Home Guard, which can quickly mobilize 100,000 men and women in wartime, has been assigned a new and important role as a result of the heightened threat of sabotage. The General Home Guard's 85,000 soldiers will protect important installations in their home districts.

The members of the industrial civil defense service are recruited in workplaces, and their job is to protect their own plants. The industrial civil defense service includes women in combat posts.

Great Enthusiasm

Eva Andersson, 30, and Marie Blomqvist, 25, are both part of the industrial civil defense unit at the National Industries Corporation (FFV) in Eskilstuna. They are secretaries and occasionally exchange their video terminals for steel helmets, bulletproof vests, and submachineguns or automatic carbines and practice defense.

They handled themselves well with inquisitive defense attaches.

"I feel that girls are as well suited for this as guys are. But there are some who think we are strange," said Eva Andersson, who has had 3 weeks of basic training.

"We knit and crochet," they both answered when asked what they do in their spare time. That made the defense attache smile.

The military praised the girls, who compensate for their lack of training with great enthusiasm for their mission. There are 10 women in the FFV's industrial civil defense unit, and the entire industrial civil defense organization has a total of about 300 women.

The Home Guard has no women in combat positions except on Gotland, where there is a shortage of men.

The chief of the National Home Guard, Major General Robert Lugn, would like to see more women join the Home Guard in the future.

He told DAGENS NYHETER: "But at present, we do not have the resources for accepting them."

Laying Mines in Harbors

The defense attaches were taken out on Lake Malaren to see how the Home Guard handles one of its new tasks: laying mines quickly in a harbor.

Within a few minutes it had dropped a number of Bofors mines of the Rocka GM1-100 type--flat green contraptions weighing 190 kilograms apiece. They are lashed to the outside of the gunwales on an ordinary fishing boat or tugboat and drop directly into the water when a soldier cuts the lashing.

Laying mines in harbors is one link in the defense of a facility that is to be protected. A Home Guard unit can quickly set up blockades and barriers and destroy things to keep an attacker from using installations. Airfields can be blockaded, and bridges, road embankments, culverts, and so on can be blown up.

Connection With Submarines

Three thousand home guardsmen are currently being trained for naval missions. The reason is that in 1985, the OB [supreme commander of the Swedish Armed Forces] issued regulations making it easier to use Home Guard units to increase readiness quickly.

A clear connection with the submarine incidents exists. Naval home guardsmen watch for foreign underwater activity, lay mines, pilot boats, dive if necessary, fire fixed cannon, man radar monitors, and so on.

"We need a larger resident population in the outer archipelagos. It is to be regretted that lighthouses and pilot stations have been abandoned and automated. We need people out there who are very familiar with the locality," says Robert Lugn, who expects the Naval Home Guard to be fully organized in the 1990's.

By then there will be 300 naval groups. So far, 150 Naval Home Guard units have been trained.

No Comment

The Home Guard has its own budget of about 150 million kronor, and every home guardsman costs the state about 1,000 kronor per year.

"That is cheap. We are based on voluntary and idealistic work," says Robert Lugn.

DAGENS NYHETER asked the Soviet defense attache, Lt Col Gennadiy Glodov, to comment on the Home Guard exercises.

"I don't know enough about it to have an opinion. To me, the Home Guard is a typical Scandinavian phenomenon," was his amicable answer in faultless Swedish.

There is nothing corresponding to the Home Guard in the Soviet Union. Defense is handled by the armed forces in the Red Army.

A shotgun for hunting is the only weapon a Soviet citizen is allowed to have at home. Possession of a weapon requires a license, just as it does in Sweden.

"In the Soviet Union, there are volunteer organizations in the countryside that help the Army with transportation and various liaison and communications missions," said Gennadiy Glodov, who was in his sunniest humor for the day. While talking to DAGENS NYHETER, he passed a tractor equipped with a shovel. He pointed to it and laughed:

"That is a secret weapon against saboteurs!"

11798

CSO: 3650/193

DRACHMA DEVALUATION VIEWED AS NECESSARY

Athens MESIMVRINI in Greek 7 Apr 86 p 15

[Article by K. Kolmer]

[Excerpt] The PASOK government, willingly or unwillingly, is being pulled to a new devaluation. Which is absolutely necessary, however...!

The reasons dictating this are many and we have already noted them in our previous analyses.

1. First of all, there is the reclassification of the European currencies and realigning of their parities both within the ECU and amongst themselves. The drachma is not a part of the European Currency System, but it is a party to the ECU, the European Calculating Unit. For this reason, it is affected, even if only formally, by the European reclassification of currencies and it must follow, in a depreciated way, the weaker of these.
2. Second is the urgent need to devalue the drachma versus the "green drachma" which at present is barely 103 drachmas when the ECU is 135. The aim of this devaluation--which will be an inadequate 16 percent--is to restrict the percentage of subsidy for foreign agricultural products and foods imported from the EEC to the Greek market and displacing Greek products at the same time.
3. Third is the need to re-establish the purchasing disparity between the drachma and European currencies. The drachma, on one hand, suffers from inflation which is "running" at an annual rate of 24 percent while the European currencies, on the other, have inflation rates from one-third to ten times lower.
4. Fourth, just as Italy, Portugal and Spain--countries competing with Greece for tourism--will follow France and Belgium in devaluing their currencies, Greece is compelled to devalue its currency, and even more so since it has a higher inflation rate than these three countries. Otherwise, it will lose tourist clientele.
5. Fifth and very likely: Just as the drachma will have to be devalued versus the European Calculating Unit, following on its devaluation to the German mark, the cross-shaped ECU-DM-\$ parity will unavoidably cause a devaluation of the drachma versus the dollar, in order to avoid the danger of arbitrage. Hence, the dollar will soon go up to 160 drachmas.

Finally, but not without importance, the "versatile" "new exchange policy" which is being inaugurated will be presented as ostensibly keeping the prices of imported products at realistic levels and maintaining the drachma's parity in correlation to Greek inflation. The government, in other words, will take another step--somewhat late, of course--in the direction of the painful but inescapable reality which refutes the socialist fantasies and visions. From now on begins the free-fall of both!

9247

CSO: 3521/115

BRIEFS

FEDER FINANCING FOR MADEIRA--The president of the European Commission, Jacques Delors, announced that financing in the amount of 7 million contos (40 million ECU's) was approved yesterday, 1 million of which will go to Madeira for the development of small projects presented by Portugal to the Regional Development Fund (FEDER). Speaking after the meeting with Cavaco Silva, Jacques Delors declared that the European Economic Community (EEC) is expending every effort to assume its financial commitments to Portugal despite the budgetary problems it faces this year. On the other hand, Prime Minister Cavaco Silva discounted the possibility of Portugal becoming a net contributor to the EEC this year, adding that the government will try to see that that also does not occur in subsequent years. [Text] [Lisbon TEMPO in Portuguese 11-18 Apr 86 p 56] 8711/9435

IPE GAINS RISE--The IPE (Government Investments and Shares) showed 180 million escudos in profits last year, nearly doubling its 1984 results, the institution disclosed. Out of that amount, 97 million will be distributed to shareholders in the forms of dividends. The 90 firms in which the IPE holds shares had sales of 236 billion escudos in 1985, out of which about 70 million were for exports, and the position of the group showed an overall improvement, according to the IPE's 1985 report and accounts. The IPE points out in its report that the substantial improvement in performance over 1984 is attributed to a policy of "consolidation and promotion of investment," which reached 25 billion escudos in 1985 for the firms as a whole. At the end of last year, IPE's equity capital amounted to 19.7 billion escudos, as compared to 18.9 billion in 1984, and reserves increased by 14.5 billion as compared with 18.3 billion for last year. IPE's list of companies comes to 90 firms which employed approximately 49,000 persons at the end of 1985. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 8 Apr 86 p 5] 9805/9435

CSO: 3542/89

COUNTRY'S FINANCIAL, FOREIGN INVESTMENT POLICIES DISCUSSED

Bank Governor Defends Monetary Policy

Madrid ABC in Spanish 17 Apr 86 p 67

[Text] Madrid--Yesterday, the governor of the Bank of Spain, Mariano Rubio, declared before the Congressional Commission on Economy: "The Bank of Spain's obligation transcends mere overseeing, but we have not taken part in the decision-making on the top banking executive levels." He also noted that a new circular memorandum would soon be drawn up on "country-risk," and that there will be an easing of exchange control.

Mariano Rubio claimed that the monetary policy to date has been geared to the public deficit and to the anticipated labor costs. He remarked: "In other European countries, it has been more aggressive, fostering the gearing of the two factors to the monetary policy." He added: "In Spain, we should imitate those systems with a greater predominance for monetary policy, if we want to approach the countries which set the pattern in the European Community."

In this regard, Popular Deputy Rodrigo Rato commented that the Bank of Spain ought to assume a more active monetary position, along the line indicated by the governor, and go so far as to become "the government's economic conscience, to require the economic policy to serve the country's overall interests." Both received a response from Socialist Deputy Martínez Noval, who maintained that the government did not need any economic conscience, nor should the Central Bank depart from the role given to it in the medium-term Socialist economic program.

The progress of circulating money (net assets in the hands of the public, ALP) has shown a more moderate growth during early April than during the 3 previous months, the average for which stood at 17 percent. During January and February, the origin of the growth lay in the requirements for financing the public sector, and in March it stemmed from the private sector's demand for credit, at a high pace, with an annual rate of 9 percent. If this demand does not shoot up, the rate of growth of the ALP will decline sharply during April. This could lead to a maintenance of interest rates and even a reduction therein. In any event, the current position is one of accepting a more expansive monetary policy, with a growth in the ALP on the upper portion of the anticipated range, in other words, 12.5 percent.

The Bank of Spain governor declared that, out of 18 Rural Banks being put on a sound footing, there were nine which, in its opinion, should undertake to merge with other Rural Banks or to be absorbed by Savings Banks; an opinion shared by the Ministry of Economy and Finance, although the Agricultural Credit Bank does not agree with it. If there were supplementary assistance available, this would save five of those entities with problems that are seemingly impossible to solve. Nevertheless, it would burden the position of the Cooperative Guarantee Fund, which has a legal obligation to seek the cheapest solution.

Mariano Rubio claimed that a more flexible regulation must be sought for the Rural Banks, which would enable them to carry out credit operations dissociated from the entity's own members, to seek independence for their management organs with regard to their debtors, and to change the capital contribution system, making it compulsory and a risk one; in other words, it would share the entity's fate. He observed: "If the members have nothing to lose, based on human law, this could lead to overly generous policies with the funds of third parties. Lastly, consideration should be given to the feasibility of undertaking mergers of entities, not because those of smaller size are underestimated, but rather to help provide a more suitable organization than the current one."

Strong Peseta

The governor said that it was true that we have a strong peseta with an economy that is not growing very quickly, but noted: "With a depreciating currency, it is impossible to maintain prices."

He announced that a new circular memorandum on "country-risk" would be sent to the financial entities, which will demand a major effort with regard to funds, of the same magnitude as last year's. It also requires a similar effort in the form of contributions to the pension funds, but with strong enforcement in this respect.

In response to a question from Socialist Deputy Martinez Noval, the governor of the Bank of Spain commented on the appointment of Claudio Boada as president of the Hispano-American Bank, claiming that the Bank of Spain had nothing to do with the selection of the individual.

Foreign Investment Regulations Liberalized

Madrid EL PAIS in Spanish 25 Apr 86 p 47

[Text] Madrid--The Ministry of Economy is currently completing a decree to ease controls on foreign investments in Spain, which will be sent on an emergency basis to the Council of State for study, so that it may be approved by the Council of Ministers before the end of May. The bill eases restrictions on foreign investment in all sectors except defense, security, air transport, radio and television, gaming, and gambling.

The decree which the Ministry of Economy will send to the Council of State involves an attempt to make substantial changes in the current legislation on foreign investments, based on the 1964 law, and includes changes in the definition of what are regarded as direct investments and those in portfolio. Included among the direct investments are long-term loans (over 5 years) that a foreign firm can grant to a Spanish company, provided they are to be used to create or maintain lasting economic ties. The inclusion of such loans as direct investments is already acknowledged by the European Community, and the decree proposes their complete decontrol, requiring them to be reported solely for statistical purposes. The decree eliminates the existing restrictions for investors from the European Community and third countries.

The Ministry of Economy's bill will also ease controls on investments made through reinvestment of profits (capitalization of legally established reserves and dividends), which have required prior authorization up until now. This measure had to be adopted, because there had often occurred the paradox of foreign business firms already established in Spain which could continue to contribute external funds without any need for prior authorization, whereas, to reinvest their surpluses in Spain, they had to submit to the procedure for authorization. Also included among the decontrolling features will be the payments for technical assistance and royalties; although this ruling will be published in a joint decree of the Ministry of Economy and the Ministry of Industry, because both have authority.

Another measure included in the legislative decree on foreign investments issued by the Ministry of Economy and Finance is the change in the concept of direct foreign investment, considering it that made in Spanish firms through the purchase of securities not accepted at the official stock market quotation; while that considered to be in portfolio is the type made by purchasing securities that are accepted at a quotation. Guillermo de la Dehesa, general secretary of commerce, is of the opinion that it might be possible to reach the absurd situation wherein "one would go so far as to make a direct investment and control a Spanish firm through the purchase of its stock on the stock exchange; in other words, through an investment in portfolio."

Therefore, the decree accepts the Community's definition, wherein a direct investment is considered to be "one which serves to create or maintain lasting direct relations between the provider of funds and the business owner or business firm to which it is going, for the purpose of engaging in an economic activity."

Spain's integration into the European Community requires the abolishment of the safeguard clause stipulated in Decree 1,042 of 1985, which authorized the administration to disallow, as an exception, the general authorization for foreign investment projects which, "owing to their amount, nature, or financial features" might have consequences detrimental to the national economic goals.

The Protected Sectors

The draft legislative decree on foreign investments keeps the restrictive criteria governing prior authorization for certain productive sectors and for some types of foreign investment. Specifically, public foreign investments, that is, the ones made by different states, will have to continue to be authorized by the Council of Ministers, as has been the case up until now. In this way, there is retained the possibility of refusing some type of public investment by a nation which, normally, for political reasons, is not desired.

As for the productive sectors for which prior authorization is currently required, most of them have been abolished. Investments in banks, carburetants, refining, prospecting and development of hydrocarbons, film-making companies, mining, shipping and insurance company agencies are released from restrictions. Only in the case of the banks and credit institutions is there a temporary ban on their free establishment, negotiated in the process of Spain's joining the European Community.

The sectors in which there will still be a requirement for prior authorization will be those related to defense (weapons and explosives), insurance companies, air transport, gambling, radio and television.

2909

CSO: 3548/53

FELDT DEFENDS ECONOMIC POLICIES BEFORE RIKSDAG

Stockholm DAGENS NYHETER in Swedish 23 Apr 86 p 8

[Article by Dick Ljungberg: "Feldt Responds to the Opposition: Quick Growth not Everything"]

[Text] Fast economic growth is not an end in itself. The demands for it must be evaluated against other equally important demands such as economic and social justice, regional balance and a good environment.

That is what Finance Minister Kjell-Olof Feldt said during the debate on growth in the Riksdag on Tuesday.

Conservative leader Ulf Adelsohn and Liberal leader Bengt Westerberg had asked Prime Minister Ingvar Carlsson about measures for increasing economic growth, among other things. However, the reply was given by Feldt, which caused Ulf Adelsohn to congratulate him upon becoming deputy prime minister.

Private Sector

But the prime minister might have engaged in a broader debate than Feldt and might not have assumed such a supercilious attitude, in Adelsohn's opinion.

He said that the private service sector is of major importance for economic growth. The public sector is sluggish, and private initiatives, for example in the area of health care, always turn out to be cheaper. Economic growth can never be produced if administered by the Finance Ministry. For that it is necessary for individuals to take initiatives and responsibility.

"Many have stared blindly at the enormous expansion of the private service sector in the United States. But that was built on the fact that they had a reserve army of people who accepted lower wages," Feldt said. What the United States had needed more was growth in the automobile industry.

Everyone Agrees

It is the administration's opinion that care, health services and education for reasons of distribution policy should take place within the tax-financed common sector, the finance minister asserted.

Bengt Westerberg pointed out that everyone agrees on the importance of growth for jobs, distribution policy etc., and he agreed with Feldt's positive view of the economy.

The Liberal leader took up five points: the concern about the cost situation, the tax proposal which has given many wage earners a higher marginal tax, inertia in the capital, the weak production development within the public sector and the problems of higher education institutions.

Westerberg received a few words of praise from Feldt, who agreed that, among other things, strong measures are needed to improve the higher education institutions. Other than that, Feldt referred to the supplementary bill which will come on Friday.

"I believe that at least some of the proposals there for the purpose of promoting growth will gain favor with other parties as well," he said.

The Price of Growth

Nils G. Asling of the Center Party jumped into the debate and agreed with Feldt that growth is not an end in itself.

"We have waited long for that declaration from an administration which lacks distribution policy," he said. The new poverty, the moving vans and letting agricultural land lay fallow is part of the price of growth.

"Of course, we need growth in order to develop society. But continued concentration in society is a price too high for the Center Party."

"Am I right in interpreting Asling so that growth is needed but that it must be opposed," Feldt wondered. And Bengt Westerberg spoke of Asling's "false" opposition between growth and distribution policy.

11949

CSO: 3650/190

FELDT PLEDGES TO ALLOW CONTINUED CONSUMPTION GROWTH

Stockholm DAGENS NYHETER in Swedish 23 Apr p 8

[Article by Ake Ekdahl: "Consumption May Grow; Forest Owners Squeezed"]

[Text] Increased taxes for forest which is not harvested and more favorable terms for those who cut down their forest.

That is the whip and the carrot which the government will present on Friday in the so-called supplementary bill in order to obtain more raw lumber for the sawmills and the lumber industry.

On Tuesday Finance Minister Kjell-Olof Feldt outlined his revised financial plan and the government's supplementary measures for the coming year before the Social Democratic parliamentary group. A happy message to the Swedish people is that the cheaper oil will be allowed to have its effect and be passed on as greater private consumption.

Today the forest owners have a forest maintenance surcharge, which for the 1985 tax year is levied in the amount of 6.5 mills and for the 1986 tax year at 8 mills per krona of taxable value of forestry.

In addition to this, the government will now levy an annual minimum charge of 300 kronor and 1,000 kronor as a special minimum charge for each partner in undivided estates.

He who harvests may today set aside 40 percent of the profits for delivered lumber in forest accounts over 10 years and 60 percent for the sale of standing forest. This allocation will now increase to 70 percent and 90 percent, respectively.

According to the finance minister, the policies of the third alternative have now brought the country's economy into a safe harbor.

The international drop in the price of oil can be allowed to show its effect and benefit the consumers in the form of increased room for spending. Private

consumption is expected to increase in the next few years by 2.7 percent and municipal spending will grow by 1.2 percent.

Inflation

Inflation was pushed back to 2.5 percent at the turn of the year, and the trade balance indicates a surplus of 5 to 10 billion kronor. Profits are to be kept high in the companies in order to produce real increases in wages. These are considerably brighter figures than what the administration presented to the Swedish economy in January.

The decline in oil prices, the lower dollar exchange rate and the lowered discount rate have given the Swedish economy a push, so that all curves are now pointing in the right direction, the administration believes.

For the coming year the budget deficit will decline by about 10 billion kronor annually, according to Feldt's plan, and that could guarantee a continued low inflation rate.

Surcharge

While waiting for a major municipal economy bill next year, which will overhaul the entire tax equalization system between municipal regions, the administration is continuing the so-called Robin Hood tax.

In order to compensate for the saving of 600 million kronor in state subsidies for teacher salaries that were stopped in Parliament, the administration is now imposing a 13-ore surcharge on municipal taxes.

The administration has the parliamentary support of the Liberal Party for doing so.

11949

CSO: 3650/190

BRITISH PETROLEUM, STATOIL BEGIN OIL SEARCH ON SVALBARD

Oslo AFTENPOSTEN in Norwegian 5 May 86 p 39

[Article by Cato Guhnfeldt: "BP and Statoil Pioneering Oil Exploration on Svalbard's Glaciers"; first paragraph is AFTENPOSTEN introduction]

[Text] The explosions thunder across Svalbard's glaciers southeast of Svea, where British Petroleum is conducting seismic investigations in the search for oil. One hundred twenty men with two helicopters and seismic drilling and measuring equipment are involved in an operation which just this year will cost over 50 million kroner.

The BP leadership on Svalbard is carefully optimistic. If oil is discovered 1500 to 2000 meters under the surface they believe that there could be large deposits for future discovery, according to BP.

Also Statoil has for the first time during the past week begun seismic investigations on the top of Svalbard's glaciers, while the company Arctic Development Corporation has been exploring on firm ground. This will be the first time that this type of seismic technology has been used on glaciers in the search for oil.

Gaining Experience

Svalbard has for a long time been regarded with interest by oil people. Since the middle of the 1960's a total of 13 holes have been drilled on Svalbard, but so far nothing has been brought up but gas and weak indications of oil.

"We are obviously interested in the oil," pointed out BP geophysicist David Calton in his headquarters beside the Norwegian miners' dwelling at Svea. "But BP is also interested in possible oil deposits in the Barents Sea. Knowledge of Svalbard's ground conditions will also teach us something about conditions under the sea to the east," he explained.

"If there are profitable oil deposits on Svalbard, BP will hardly be able to come into production before the middle of the 1990's at the earliest," said Calton.

"We believe that Svalbard is a very interesting area--also because of the favorable tax aspects of exploiting the natural resources of land areas," he emphasized.

Deadline 1 December

A total of 79 workers from north Norway are employed by Horizon Exploration to lay out cables, detectors (geophones), explosives, and to drill holes 21 meters deep every 25 meters along lines laid out across the glaciers. Four hundred grams of TNT will be detonated at the bottom of each hole, with detectors stretched out 1500 meters on each side to record the reflections of the sound waves from the bedrock.

Ground conditions will be investigated along a total distance of 320 kilometers, back and forth across the 1800 square meter [as published] area where BP has shown a requirement for privileges on Svalbard. All measurements are recorded on magnetic tape which will be studied and analyzed in southern England this summer.

Before 1 December this year BP must be able to document a need for exploratory drilling in the area for Norwegian authorities.

Since the end of April Statoil has had a total of 50 men working with its investigations in the so-called Grimfjell area on the southern tip of Svalbard. In general the work is carried out according to the same methods used by BP.

For its part, the Arctic Development Corporation is working on land west of Svea in an area which belongs to Norsk Polarnavigasjon. Nearby the Russians have already begun drilling. The extent of Russian seismic investigations in this area is not known, nor are the results of the drilling.

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